

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5069. By Mr. COFFEE of Washington: Resolution of the thirty-first district assembly of the Washington Commonwealth Federation at Renton, Wash., Mildred McK. Jones, secretary, urging passage of the O'Connell joint resolution (H. J. Res. 527) as the best means to stop America's indirect aid to Fascist enemies and to remove the penalties which our present Neutrality Act places upon friendly democratic nations defending themselves against international marauders; to the Committee on Foreign Affairs.

5070. Also, resolution of the Sawmill and Timber Workers' Union, Local No. 2, of the I. W. A., at Aberdeen, Wash., Art Anderson, recording secretary, opposing sale of helium gas to any foreign nation, and especially Nazi Germany; opposing any changes in the Wagner Labor Relations Act; endorsing and urging passage of the wage and hour bill; and supporting the President's efforts to bring about recovery by an expanded spending program; to the Committee on Appropriations.

5071. By Mr. CROWTHER: Petition of the League of Women Voters, Schenectady, N. Y., Consumers' Cooperative, Inc., Local 333, U. R. E. A., and citizens of Schenectady, N. Y., requesting favorable action on the O'Connell amendment to House Joint Resolution 527; to the Committee on Foreign Affairs.

5072. By Mr. Fitzpatrick: Petition of the staff of the Yonkers Public Library, Yonkers, N. Y., urging the support of the Harrison-Thomas-Fletcher bill (H. R. 10340) for Federal aid to education, including libraries; to the Committee on Education.

5073. Also, petition of the Parents' Association of Public School No. 38, Bronx, New York City, N. Y., protesting against the dismissal of any G-men resulting from the cut in the appropriations for the Federal Bureau of Investigation and favoring the passage of the new bill appropriating the sum required to carry on the splendid work of the G-men; to the Committee on Appropriations.

5074. By Mr. LUTHER A. JOHNSON: Petition of Dr. I. R. McCollough, of Hillsboro, Tex., favoring House bill 8176, by Representative EDMISTON; to the Committee on Military Affairs.

5075. By Mr. KRAMER: Resolution of the Board of Supervisors of the County of Los Angeles relative to urging the passage of House bill 9047; to the Committee on Interstate and Foreign Commerce.

5076. Also, resolution of the Board of Supervisors of the County of Los Angeles, relative to Federal aid to the States for highway purposes, etc.; to the Committee on Appropriations.

SENATE

TUESDAY, MAY 10, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 9, 1938, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments

of the Senate to the bill (H. R. 4276) to amend the act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes.

The message also announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes; that the House insisted upon its disagreement to the amendments of the Senate to the said bill, asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. NICHOLS, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 6652. An act to provide for the administration and maintenance of the Natchez Trace Parkway, in the States of Mississippi, Alabama, and Tennessee, by the Secretary of the Interior, and for other purposes; and

H. R. 9725. An act to liberalize the provisions of existing laws governing death-compensation benefits for widows and children of World War veterans, and for other purposes.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	O'Mahoney
Andrews	Davis	King	Overton
Ashurst	Dieterich	La Follette	Pittman
Austin	Donahay	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Loneragan	Schwartz
Bilbo	George	Lundeen	Schwellenbach
Bone	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Brown, Mich.	Gillette	McGill	Thomas, Okla.
Brown, N. H.	Glass	McKellar	Thomas, Utah
Bulow	Hale	McNary	Townsend
Burke	Harrison	Maloney	Truman
Byrd	Hatch	Miller	Tydings
Byrnes	Hayden	Milton	Vandenberg
Capper	Herring	Minton	Van Nuys
Caraway	Hill	Murray	Walsh
Chavez	Hitchcock	Neely	White
Clark	Holt	Norris	
Connally	Johnson, Calif.	Nye	

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Ohio [Mr. BULKLEY], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. PEPPER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], and the Senator from New York [Mr. WAGNER] are detained on important public business.

The Senator from Montana [Mr. WHEELER] is unavoidably detained.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

JUVENILE COURT FOR THE DISTRICT OF COLUMBIA

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes, having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4 and 9. That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 6, 7, 8, 10, 11, 12, and 13, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Whenever any person shall give to the director of social work of the court, or other officer of the court duly designated as his representative, information in his possession that a child is within the provisions of this act, it shall be the duty of a duly designated officer of the court to make preliminary investigation to determine whether the interests of the public or of the child require that further action be taken and report his finding, together with a statement of the facts, to the director of social work. Whenever practicable such inquiry shall include a preliminary investigation of the home and environmental situation of the child, his previous history, and the circumstances which were the subject of the information. If the director of social work finds that jurisdiction should be acquired, he shall, after consultation with and approval by the corporation counsel or assistant corporation counsel assigned to the court, authorize a petition to be filed. In any case in which said director fails to so find, the person giving information to the director may present the facts to the corporation counsel or his assistant, who, after investigation by an officer of the court as herein provided, may authorize a petition to be filed. The proceedings shall be entitled, 'In the matter of _____, a child under eighteen years of age.'"

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "by respondents, their parents or guardians, or their duly authorized attorneys, but otherwise"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"Sec. 34. Appeal: Any interested party aggrieved by any final order or judgment of the juvenile court may apply to the United States Court of Appeals for the District of Columbia or to one of the justices thereof for the allowance of an appeal, and the said court or justice may allow such appeal whenever in the opinion of said court or justice the order or judgment ought to be reviewed upon any matter of law. The application for said appeal shall be in writing, shall be verified, and shall state fully the grounds on which the same is asked, and shall include the petition and a narrative statement of the evidence authenticated by the judge of the juvenile court and the assignment or assignments of error relied on and shall be presented to said court of appeals, or one of the justices thereof, within such time as that court may by rule prescribe. If an appeal is allowed, the same shall be placed upon the special calendar and shall be heard by the court as soon thereafter as is convenient to the court and as counsel may be heard. Any party desiring the benefit of the provisions of this section shall give notice in open court of his intention to apply for an appeal: *Provided*, That the appeal or application for the allowance of such appeal shall not suspend the order of the juvenile court, nor shall it discharge the child from the custody of that court or of the person, institution, or agency to whose care such child shall have been committed, unless the court of appeals shall so order. If the United States Court of Appeals for the District of Columbia does not dismiss the proceedings and discharge the child, it shall affirm or modify the order of the juvenile court and remand the child to the jurisdiction of the juvenile court for supervision and care, and thereafter the child shall be and remain under the jurisdiction of the juvenile court in the same manner as if such court had made said order without an appeal having been taken."

And the Senate agree to the same.

WILLIAM H. KING,
ROYAL S. COPELAND,
M. E. TYDINGS,

WARREN R. AUSTIN,
Managers on the part of the Senate.

VINCENT L. PALMISANO,
JACK NICHOLS,
EVERETT M. DIRKSEN,

Managers on the part of the House.

The report was agreed to.

COPIES OF LAWS OF FIRST NATIONAL ASSEMBLY OF THE PHILIPPINES

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith copies of laws enacted by the First National Assembly of the Philippines during its second special session, from August 28, 1937, to September 8, 1937, its third special session on September 9, 1937, and its second session, from October 16, 1937, to November 21, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1938.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, part 7 of the report of the Study and Investigation of the Work, Activities, Personnel and Functions of Protective and Reorganization Committees of the Commission, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the County Commissioners of Cottonwood County, Minn., favoring the enactment of House bill 4199, the so-called General Welfare Act, which was referred to the Committee on Finance.

Mr. LODGE presented a resolution adopted by members of the General Welfare Clubs of the Third Congressional District of Worcester County, Mass., favoring the enactment of House bill 4199, the so-called General Welfare Act, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Worcester, Mass., praying for the enactment of the bill (S. 153) to prohibit and to prevent the trade practices known as "compulsory block booking" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Local No. 141, United Shoe Workers of America of the C. I. O., of Binghamton, N. Y., favoring the enactment of the President's proposed recovery program, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by Local No. 141, United Shoe Workers of America of the C. I. O., of Binghamton, N. Y., and the Ventura Central Labor Union, of Ventura, Calif., favoring the enactment of the bill (S. 3390) to provide for guaranties of collective bargaining in contracts entered into, and in the grant or loan of funds by, the United States or any agency thereof, and for other purposes, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Rochester Diocesan Council of the National Council of Catholic Women, Rochester, N. Y., protesting against the enactment of legislation proposing an amendment to the Constitution of the United States relative to equal rights for men and women, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by P. C. Gallagher Lodge, No. 133, Brotherhood of Railroad Trainmen, of Olean, N. Y., favoring the adoption of the resolution (S. Res. 266) increasing the limit of expenditures of the investigation of violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also presented a resolution adopted by Local No. 141, United Shoe Workers of America of the C. I. O., of Binghamton, N. Y., favoring the enactment of the so-called wage and hour bill, which was ordered to lie on the table.

Mr. WALSH presented letters in the nature of petitions from 143 employees of the Boston (Mass.) Postal District, praying for continuance of the O. K. system in the Postal Service, providing for two regular pay days each month, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions from members of the New Bedford High School faculty, the College Club, the Fairhaven Mothers Club, the Democratic Woman's Club, the Women's Republican Club, the New Bedford Section Council of Jewish Women, the New Bedford Woman's Club, the Woman's Guild of North Congregational Church, Battery D Auxiliary, Ladies' City Mission Society, the American Legion Auxiliary to Post One, the Catholic Woman's Club of New Bedford, the First Congregational Church, the Woman's Federation of the First Baptist Church, the Alcott Club, Fairhaven High School, the New Bedford Council of Girl Scouts, Inc., the New Bedford Chapter of the D. A. R., the Fort Phoenix Chapter of the D. A. R., the Quota Club of New Bedford, the United Church Mothers' Club, the Grace Abbott Mothers' Club, the Helen Hughes Club of the Y. W. C. A., the Universalist Club, and the Woman's Christian Temperance Union, all of the Council of Women's Organizations of Greater New Bedford, Mass., praying for the enactment of legislation to prohibit and to prevent the trade practices known as "compulsory block-bookings" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce, which were ordered to lie on the table.

EMBARGO ON MUNITIONS SHIPMENTS TO SPAIN

Mr. WALSH. Mr. President, I present a letter from W. Cameron Forbes, former Governor General of the Philippine Islands and former Ambassador to Japan, containing his views on the Spanish situation, following a recent visit to Spain. I request his letter be treated in the nature of a petition, printed in the CONGRESSIONAL RECORD, and referred to the Committee on Foreign Relations.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

GAY FARM,
Norwood, Mass., May 7, 1938.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I understand that the question has arisen of lifting the arms embargo in order that the United States may more freely supply the Government of Spain with munitions, thus prolonging their hopeless struggle against General Franco's victorious troops.

I personally visited Spain recently as a guest of the Franco Government, and toured it from Gibraltar to the French frontier. I was amazed to find the degree of peace, orderliness, good feeling, high spirits, and the certainty of victory throughout the regions I traversed. These observations have been well substantiated by the results of Franco's more recent advances.

The policy of the "reds," or so-called "loyalists," has been first to liquidate, or purge, the country by getting rid of people of wealth, standing, and training, and who were, in effect, the natural and normal leaders of the people. These leaders included a great many army and navy officers who naturally would have gravitated to Franco's side, as it was not to be expected that they would contemplate with equanimity the policy of liquidation of the people of their own class. The result is that the "reds" are conducting the war without the natural Spanish leaders, and their cause is necessarily, if only for that reason, hopeless. To send a lot of our military supplies to bolster this hopeless cause merely means the prolonging of the war and the unnecessary killing of many additional thousands of the unfortunate people who are being pushed into the struggle, often without any personal interest or desire to join in the cause of the "reds" for whom they must fight or get shot.

Anything that can be done to discourage the United States from making this most unfortunate error will be in the interest of humanity.

We have got to live with this new Spanish Republic as a neighbor and friend after it is established, and an act of this kind, lifting the embargo, would inevitably be regarded by General Franco's people, who now comprise about four-fifths of Spain, as a blow in the face and as an act of hostility to their already afflicted country.

It seems to me that we want to hold the friendship of these people and not offend them by having our country, at this late date, pass this futile measure which could not possibly affect the

ultimate result, but would undoubtedly make it more costly in lives that otherwise could be spared.

Sincerely yours,

W. CAMERON FORBES.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 3972) to amend the Second Liberty Bond Act, as amended, reported it without amendment and submitted a report (No. 1755) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (H. R. 9688) to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky., reported it without amendment and submitted a report (No. 1756) thereon.

He also, from the Committee on Commerce, to which was referred the bill (S. 3892) creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill., reported it with amendments and submitted a report (No. 1757) thereon.

Mr. NYE, from the Committee on Commerce, to which was referred the bill (S. 3867) authorizing the North Dakota State Highway Department and the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Red River, reported it without amendment and submitted a report (No. 1758) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 3646) to correct the military record of Michael Waliga, reported it with an amendment and submitted a report (No. 1759) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (H. R. 8148) to amend Public Law No. 692, Seventy-fourth Congress, second session, reported it without amendment and submitted a report (No. 1769) thereon.

Mr. JOHNSON of Colorado, from the Committee on Military Affairs, to which was referred the bill (S. 3902) to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character, reported it without amendment and submitted a report (No. 1760) thereon.

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 3198) for the relief of Filomeno Jimenez and Felicitas Dominguez, reported it without amendment and submitted a report (No. 1761) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3782) for the relief of John K. Kennelly, reported it with amendments and submitted a report (No. 1762) thereon.

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 3516) to alter the ratio of appropriations to be apportioned to the States for public employment offices affiliated with the United States Employment Service, reported it without amendment and submitted a report (No. 1763) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 3265) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany, reported it without amendment and submitted a report (No. 1764) thereon.

Mr. MINTON, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 1668) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), reported it without amendment and submitted a report (No. 1768) thereon.

Mr. McADOO, from the Committee on Patents, to which was referred the bill (H. R. 9996) to authorize the

registration of certain collective trade-marks, reported it with an amendment and submitted a report (No. 1770) thereon.

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (S. 3854) to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg., reported it without amendment and submitted a report (No. 1772) thereon.

Mr. O'MAHONEY, from the Committee on Indian Affairs, to which was referred the bill (S. 3415) to purchase certain private lands within the Shoshone (Wind River) Indian Reservation, reported it without amendment and submitted a report (No. 1771) thereon.

Mr. SHIPSTEAD, from the Committee on Indian Affairs, to which was referred the bill (S. 3849) authorizing the Secretary of the Treasury to transfer on the books of the Treasury Department to the credit of the Chippewa Indians of Minnesota the proceeds of a certain judgment erroneously deposited in the Treasury of the United States as public money, reported it with an amendment and submitted a report (No. 1773) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 2495. A bill authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians (Rept. No. 1775);

S. 3561. A bill for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho (Rept. No. 1765); and

S. 3980. A bill relating to restrictions of Osage property acquired by descent or devise (Rept. No. 1776).

Mr. THOMAS of Oklahoma also, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5974. A bill to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon, and to regulate inheritance of restricted property within the Klamath Reservation (Rept. No. 1774);

H. R. 7515. A bill to authorize the sale of certain lands of the Eastern Band of the Cherokee Indians, North Carolina (Rept. No. 1766); and

H. R. 9358. A bill to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and other purposes (Rept. No. 1767).

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them severally without recommendation:

S. Res. 149. Resolution authorizing an investigation and study of the broadcasting industry, of broadcasting in the United States, and of interstate and foreign communication by radio;

S. Res. 215. Resolution providing for an investigation of existing profit-sharing systems between employers and employees in the United States;

S. Res. 237. Resolution providing for an investigation of costs, prices, and profits of the principal commodities of commerce of the United States;

S. Res. 240. Resolution to investigate the question of the creation of the Petrified Forest National Park;

S. Res. 241. Resolution extending the time for an investigation relative to utilization of water resources of arid and irrigable States;

S. Res. 250. Resolution to investigate the questions of the feasibility of enlarging Grand Teton National Park in Wyoming; and

S. Res. 266. Resolution increasing the limit of expenditures for the investigation of violations of the right of free speech

and assembly and interference with the right of labor to organize and bargain collectively.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BILBO:

A bill (S. 3986) to amend subsection (d) of section 202 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

A bill (S. 3987) for the relief of Thomas J. Grayson; and A bill (S. 3988) for the relief of J. T. Burt and Alice Burt; to the Committee on Claims.

By Mr. TRUMAN:

A bill (S. 3989) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; and

A bill (S. 3990) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.; to the Committee on Commerce.

By Mr. LOGAN:

A bill (S. 3991) granting an increase of pension to Kate R. Forrester; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3992) granting an increase of pension to Alma H. Aultman; to the Committee on Pensions.

By Mr. THOMAS of Utah:

A bill (S. 3993) to provide additional compensation for employees killed or injured in law-enforcement work, and for other purposes; to the Committee on Education and Labor.

By Mr. LA FOLLETTE:

A bill (S. 3994) for the relief of Lemke Construction Co.; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 3995) for the relief of Julian S. Mann; and

A bill (S. 3996) for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher; to the Committee on Claims.

By Mr. AUSTIN:

A bill (S. 3997) granting an increase of pension to Helen Mehitable Sawyer; to the Committee on Pensions.

By Mr. CLARK:

A bill (S. 3998) for the relief of Dierks Lumber & Coal Co.; to the Committee on Claims.

By Mr. HAYDEN:

A bill (S. 3999) for the relief of Ward S. Powers; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. LUNDEEN:

A bill (S. 4001) to provide for minimum hours of employment and adjustment of compensation for officers and employees in the Veterans' Administration, and for other purposes; to the Committee on Finance.

REHABILITATION OF FARM TENANTS

Mr. LEE. Mr. President, in my campaign, I advocated a program that would make possible a "farm for every farmer and a home for every family." In accordance with that pledge, I wish at this time to introduce a bill and ask that it be referred to the Committee on Agriculture. The purpose of this bill as stated in the title is:

To promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term, low interest rate loans on farms, and for other purposes.

It is my purpose at this time to explain this bill briefly and then to discuss the importance of rehabilitating farm tenants.

This bill provides for supervision of the sale of farms to farm tenants and insures the mortgage. There are many

absentee owners of farms who would like to sell their land to good tenant farmers providing they would stay sold.

By this act the county committee would receive listings of farms within the county from all persons desiring to sell such farms to farm tenants. The committee would examine and appraise these farms. The bill further provides that the county committee shall receive applications from farm tenants who desire to purchase farms. They shall sift these tenants according to their records. Those whom they approve will have the privilege of looking over the farms that are offered for sale and of making their selection according to their needs with the help and advice of the committee.

When a tenant who has been approved by the committee selects a farm that has been appraised by the committee as one that he would like to buy, the Government will then insure the mortgage. No down payment is required, but the Government will have a lien on the crops until at least 10 percent of the purchase price has been paid to the seller. The interest is fixed at 3 percent and payments are extended over 25 years. This makes it possible for a good farmer to make the farm purchase itself.

One of the important features of this plan is that a farm can be purchased without a down payment. At first, it might occur to you that the landowner would not want to sell on that basis but in the case of the absentee owner of a farm, he must lease that farm and wait a year to get his share of the crop, but there is no assurance that he will get his fair share of the crop. He cannot be there to see that the farm is operated as it should be, to see that he gets his part of the crop. Then, too, he must pay the taxes on the farm. From my own experience for the last 10 years, the taxes have been more than the income from the farm, besides the worry of trying to keep the improvements from deteriorating and trying to protect the soil from erosion and trying to collect the owner's share of the crop. The alternative of being able to sell that farm and have the Government guarantee you that at the end of the year you would receive 3-percent interest clear, in addition to a payment on the principal, in addition to being relieved from having to pay the taxes on the farm, it presents a very attractive proposition to the landowner.

Where would a man go to find a better income and a greater security? If you deposit your money in a savings bank, you draw 2 percent on the first \$1,000 and 1 percent on each thousand after that. If you deposit your money in the Postal Savings, you draw 2 percent. If you put your money in life-insurance annuities, you draw less than 3 percent. If you invest your money in Government baby bonds, you draw less than 3 percent.

Therefore, if a person wants to sell his farm, and most absentee owners do, this would offer an attractive proposition. It would mean that for 25 years he would have a Government guaranteed income from that farm, but on the other hand, if he wanted to turn it into quick cash, the mortgages are negotiable and he could sell his mortgage if he desired cash.

As to the security, I doubt if we could find greater security anywhere. The mortgage would be endorsed by the purchaser. It would be secured by the farm itself and it would be guaranteed by the Government. Therefore, where could you find greater security with as high a rate of income as these mortgages would offer?

In other words, this plan simply extends the plan of the Federal housing program to farms and farm tenants except in the case of Federal housing, it is necessary to find idle cash somewhere and interest it; whereas, in this case, the money is already invested in the farms and the owners are desirous to sell. In many cases these owners are unwilling owners who unintentionally came into possession of the farms.

By this bill, of course, the purchaser would pay the taxes on the farm. He would pay 3-percent interest on the purchase price and a fraction of the principal each year. He would have Government help in managing his farm, in terracing and preventing soil erosion.

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In cases where the committee approved he would have the privilege of a further loan for the purpose of repairs and equipment. He would have the privilege of purchasing a farm without a down payment. He would have the privilege of paying for it over a long period of years. He would have the benefit of an interest rate low enough that the farm could be made to pay for itself. He would have a home of his own in which to rear his family. He would have a new lease on life. He would have a new incentive. It would make a new man of him. Every member of his family would have a common cause in their new home.

Mr. LOGAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. LEE. I yield.

Mr. LOGAN. Is it true that there would be no limit to the amount of these bonds which the Government should guarantee?

Mr. LEE. The bill fixes the limit as to each individual farm, and also a ceiling as to the total amount.

Mr. LOGAN. What is the total amount of bonds that may be guaranteed by the Government?

Mr. LEE. I have left that blank in the bill until I have an opportunity to go over it more thoroughly with the Treasury Department.

Mr. LOGAN. Is not the difficulty with the present Farm Act that the appropriation is so small that little or no progress can be made under its provisions?

Mr. LEE. That is the trouble with it. That is exactly why I am seeking now to expand it without an additional appropriation, which this bill will do. This bill simply carries over the principle involved in the Federal housing program of the Government guaranteeing the mortgage, except that in that case the Government must find a person with idle cash and interest him. In this case the money is already invested in the farm, and the owner wants to sell, and the purchaser wants to buy; but the purchaser cannot buy because he cannot make a down payment, and the seller will not sell unless he is assured of enough down payment to make it a bona fide sale. But with the Government guaranteeing the mortgage it is not necessary to have a down payment, because the owner would have to wait a year to get his share of the crop anyway, and take chances on getting it; but with this provision he will sell because he is sure to get 3 percent interest without having to pay the taxes, and he is sure that the farm will not run down under Government supervision.

Mr. LOGAN. Mr. President—

Mr. LEE. I yield.

Mr. LOGAN. I understood the Senator a while ago to say that a number of owners are willing to sell their lands, but the lands would not stay sold. Under this plan, if they were sold without any down payment, and they did not stay sold, the Government would have them all on its hands, would it not?

Mr. LEE. That is true; but the Government would simply have to find another tenant, and since the Government appraises the value of the lands, there would be no danger of their coming back on the hands of the Government and staying there. The only thing in which the Government might make a mistake would be in the selection of the tenant. If the land is properly appraised, and there is a normal crop yield, at 3-percent interest the farm will purchase itself, under proper farm management.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. HATCH. I am interested in the question of down payment. I think it is true, is it not, that in all the various enterprises which have been started by the Government, such as the Federal Housing Administration and the Home Owners' Loan Corporation, there has always been required some measure of down payment, some equity to be held by the individual?

Mr. LEE. That is true. It is reduced now to 10 percent in the Federal Housing Act; but there is this difference: The Government seeks idle cash from someone, and attempts to attract it into the transaction; whereas under the provisions of my bill the money is already invested in the farm. In order to protect the Government as well as the seller from a man simply saying, "I can get a few years' free rent and not pay anything," I have provided in the bill that the Government shall have a lien on the crop until 10 percent of the principal has been paid, which would be the same requirement that the Government has made in other transactions.

It is provided in the Bankhead-Jones Act, which is already the law, that the Government shall have a lien on the crops and the equipment of the farmer, to protect the Government's interest. This bill simply provides for an extension of that same policy until the farmer who buys the farm has paid as much as 10 percent down payment, or has built up a 10-percent equity in the farm.

Throughout the agricultural States almost every business man owns farms he would like to sell. Every bank has unintentionally come into possession of farms that would be for sale under this plan. That would mean that hundreds of thousands of farms would be listed for sale under this plan. That would mean that hundreds of thousands of tenants would be changed into farm owners.

PERCENT OF FARM TENANTS

Mr. President, in my State of Oklahoma 61.2 percent of all the farms are operated by tenant farmers. The average for Texas is 57.1 percent; in Arkansas 60 percent of all farms are operated by tenants. In Georgia 65.5 percent of the farms are operated by tenants. The average of farm tenantry for the entire United States is 42.1 percent, according to the last census taken in 1935, while the average in the South is 53.5 percent. Mr. President, in my opinion, these are alarming figures.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. CONNALLY. I realize that what the Senator is stating is correct, but let me ask him a question about the State of Oklahoma. This is purely an academic matter. Thirty years ago the State of Oklahoma was largely a land of home owners. I mean by that that the Government permitted homesteading, and all that sort of thing. What are the reasons for such a rapid change from landlord to tenant? Why did the settlers sell their land? Was it because of poor agricultural conditions, because of debt, and things of that kind?

Mr. LEE. I am glad the Senator asked the question, as it gives me a chance to present the reasons for the change. There are four reasons why the farmers have lost their farms.

Mr. CONNALLY. I am speaking particularly of the Senator's own State.

Mr. LEE. That was one of the last States opened for homesteaders.

Mr. CONNALLY. The last frontier, one might say, for homesteaders.

Mr. LEE. There are four reasons why they have lost their homesteads. The first cause was homestead taxes. Our State has already made strides in the direction of removing that cause, by making homesteads exempt from taxes of all kinds up to a thousand dollars. The Senator's own State of Texas has exempted homesteads from State taxes up to a reasonable amount. But one reason for the loss of these homesteads is taxes.

Another reason why the farmers have lost their homes is fluctuating farm prices. In 1930 the mortgages on many of these homes were foreclosed—foreclosed because the products of the farm would not pay the taxes and the interest. Fluctuations in farm prices was a second reason.

Third, they have lost their farms because of the depleted fertility, due to soil erosion. The Senator knows we are making an effort in the direction of preventing loss of soil

fertility. Those three causes for the loss of the homesteads are already being combated.

The fourth reason, and I think the most important reason, why the farmers have lost their homesteads is high interest rates. The Senator knows that in a new State the interest rates are necessarily high. The banker who lends money is taking a chance, and in order to take that chance he has to have a high interest rate. As soon as a farmer or homesteader proved up on his place and had the right to put a mortgage on it, he slapped a plaster on the homestead. Why did he mortgage his homestead?

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. CONNALLY. Does the law of Oklahoma provide that a homestead may not be encumbered or mortgaged after it is once paid for?

Mr. LEE. After what?

Mr. CONNALLY. Suppose a man in Oklahoma has a home which is paid for; can he voluntarily mortgage it, under the law of Oklahoma?

Mr. LEE. I cannot answer the Senator's question at this time, because the homestead tax-exemption law was passed by the last legislature, and I have not had an opportunity to examine it.

Mr. CONNALLY. If the Senator's State has not such a law, I commend it to his consideration. In my State, if a man ever acquires a homestead, and it is free from debt, he cannot thereafter mortgage it, except to make improvements on it, or, of course, he can put on a mortgage for the purchase price. I am assuming he owns the place; if so, he cannot voluntarily mortgage it for anything except to build a house.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield?

Mr. LEE. I yield.

Mr. HATCH. At the time of which the Senator from Oklahoma was speaking, when the Government homestead title passed finally to the individual, he could mortgage that home.

Mr. LEE. At that time; yes.

Mr. HATCH. At that time he could, and at that time he did.

Mr. LEE. He did.

Mr. HATCH. Just as the Senator has said.

Mr. LEE. He had to, because he had to have equipment, and he had to have seed. He took some of the money and built a little shack to live in so he could get out of the dug-out, and that mortgage commenced eating him up. Droughts came, and his crops were short, but that did not make any difference to that 6- and 8- and 10-percent interest he had to pay. Droughts and floods kept on, and the high interest rates marched on.

There is no use of our setting up a program for the farmer to make the farm buy itself unless we put the interest rate lower than the farm income. These farms have passed from the ownership of the farmer because of high interest rates.

The home is the great fountainhead of human happiness. The home is the strength of our Government. Already the crowded conditions of our cities have almost eliminated home life there. The apartment house has replaced the cottage. People enjoy the ease of the hotel rather than the security of a fireside. Where then must we look for the typical American home? We can no longer find it in the urban districts. People are crowded into apartment houses like ants in a hill. We must turn to the country for the typical American home, which constitutes the security of our Nation.

When nearly half of the farm population of the United States are tenants who do not own the soil that they till it becomes a serious problem. Then when 53.5 percent of the farmers of the South do not own the farms they farm, it becomes even more serious, and when 61.2 percent of the farmers of my State are tenants, and when 65.5 percent of the farmers of Georgia are tenants, shifting tenants, the problem should challenge our best efforts.

THE LAND VENT

In every previous depression the Government has relieved the strain by opening a new frontier and draining off the disinherited. Today there are no new frontiers to open, but by this plan the Government can create new frontiers and offer homes to hundreds of thousands of farmers. The security of our Nation today demands that we rehabilitate these farmers.

I saw many of them when they first came to Oklahoma. I saw them endure the hardships of pioneer life. I saw them weather the droughts of pioneer years. I saw them deny themselves every comfort and luxury. I saw them live on gyp water and white gravy in order that they might have homes to shelter them in their old days.

I saw the light and fire in their eyes when they were young and strong. Then I saw them grow older. I saw the high interest rates overtake them. I saw them fall victim to low farm prices. I saw that light in their eyes fade and grow dim. Today thousands of gray-bearded old pioneer fathers who helped settle my State are anxiously waiting for that meager old-age pension. Thousands of silver-crowned old mothers who helped settle Oklahoma are today working in sewing rooms trying to eke out an existence.

We must rehabilitate them and rekindle that light of hope in their eyes for there is no fall so dangerous as the fall of those invisible towers of faith.

The best way to help a man is to help him help himself. These people do not want doles. They want a chance. We have spent billions of dollars under the W. P. A. without getting the people a dollar nearer self-support. We feed a man a year and at the end of the year he is still hungry. We have all supported the program to take care of the destitute simply as a temporary measure to prevent actual suffering until we could set up a program that would give these people a chance to support themselves.

Our policy of spending from now on out should be on a basis of bringing a man nearer to self-support.

Here is a program that will not cost the Government anything above a slight increase in administration. The Government cannot lose on these farms. Here is a program that will rehabilitate hundreds of thousands of farmers.

Here is a program that will rehabilitate hundreds of thousands of farms. Under a system of tenantry these farms have dropped in value. The figures show that tenant-operated farms in the South decreased in value 6.7 percent faster than owner-operated farms from 1930 to 1935.

We are finding that our program of soil conservation is not meeting with much success on tenant-operated farms. You cannot blame the tenant for not wanting to terrace when he does not know whether he will be on that farm the next year or not, but you let him be the owner or the prospective owner and the fertility of the soil will have a new interest for him. He will take pride in building it up. Dilapidated farmsteads will be repaired. The fences will be straightened up. The cattle will once more low in the lane and the morning glories will trellis over the window.

Ownership is the best answer America can give to communism. Radicalism, like the disease germ, can thrive only on misery, but bring it out into the sunshine of happiness and it dies. We cannot build a great nation on a shifting population of tenants any more than we could build a great building on a shifting foundation of sand.

A man, to be a good citizen, must be rooted to the soil. He then becomes an integral part of the community. The home owner is the best citizen in times of peace. He makes the best soldier in times of war. He has more to live for and, if need be, more to die for. If you want to keep the system of private property in the United States, then make it possible for more people to own property; and when the majority of our people own property, they will want to keep the system in order to keep their property.

But when such a high percentage of our people own no property, it is mighty easy for the radicals to persuade them to join the ranks of the destructionist.

They have nothing to lose in an upheaval and might stand to gain in the shuffle. It is a wise nation that rehabilitates its disinherited.

If you want our people to sing with the poet, "This is my own, my native land," then let them own some of it. If you want them to sing, "My country, 'tis of thee, I love thy rocks and rills," then let them own some of those rocks and rills.

If you want a nation of strong hearted, true Americans, who will live for America, let them feel the thrill of ownership for a part of America, and the Communists' words will fall on deaf ears. When a man tills his own soil, he is twice fed by it; for, in addition to the fruit it produces, there is a spiritual manna that permeates his being and takes away evil thought.

When a man leans up against the forks of his own apple tree, you cannot persuade him to plan the destruction of his own country.

This bill, without additional cost to our Government, will convert hundreds of thousands of tenants into owners. It will breathe life into the Bankhead-Jones farm tenant program. It will accelerate it and increase it. It will be wholesome and permanent in its effect, and it is my hope that we can pass it this session.

The VICE PRESIDENT. The bill introduced by the Senator from Oklahoma [Mr. LEE] will be received and appropriately referred.

The bill (S. 4002) to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term, low-interest-rate loans on farms, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

DISPOSITION OF REMAINS OF MILITARY AND CIVILIAN EMPLOYEES OF THE ARMY—BILL INDEFINITELY POSTPONED

Mr. MINTON. Mr. President, on the last call of the calendar the Senate, by unanimous consent, passed Senate bill 3350 and House bill 9226, which are identical bills. I ask unanimous consent that the vote by which the Senate passed the bill S. 3350, to amend the act of March 9, 1928, authorizing appropriations to be made for the disposition of the remains of military personnel and civilian employees of the Army, and for other purposes, be reconsidered, and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, the vote by which Senate bill 3350 was passed is reconsidered, and the bill will be indefinitely postponed.

THE MERCHANT MARINE—AMENDMENTS

Mr. McADOO and Mr. RADCLIFFE each submitted an amendment intended to be proposed by them to the bill (S. 3078) to amend the Merchant Marine Act, 1936, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL AID ROAD ACT—AMENDMENTS

Mr. HAYDEN submitted amendments intended to be proposed by him to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which were referred to the Committee on Post Offices and Post Roads and ordered to be printed.

Mr. HAYDEN and Mr. TRUMAN, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

PROMOTION OF OFFICERS IN THE NAVY—AMENDMENTS

Mr. SHEPPARD submitted amendments intended to be proposed by him to the bill (H. R. 9997) to regulate the distribution, promotion, and retirement of officers of the line

of the Navy, and for other purposes, which were referred to the Committee on Naval Affairs and ordered to be printed.

OLD-AGE PENSIONS—PLAN FOR REINSTATEMENT OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a telegram which I sent to the Governor of Oklahoma on May 9, 1938, suggesting a plan for settling the difficulty between the State and the Federal Government over old-age and other pensions. Following the telegram, I ask to have printed a copy of Senate bill 2162, to create an old-age pension system, and for other purposes.

There being no objection, the telegram and bill were ordered to be printed in the RECORD, as follows:

SENATOR THOMAS SUBMITS PLAN FOR REINSTATING OKLAHOMA [Copy of telegram]

MAY 9, 1938.

Hon. E. W. MARLAND,

The Governor of Oklahoma, Oklahoma City, Okla.:

The opinion prevails here that reason Oklahoma has not been reinstated for grants for assistance to the aged, blind, and dependent children is due to dissension among the members of the Oklahoma Commission. Further rumors have reached responsible officials here that in the event the State is reinstated it is the intention of some members of your commission to try to discharge Director Denton and otherwise disrupt his State set-up, and because of such rumors and their acceptance in high places here I respectfully suggest that in order to make progress in having Oklahoma reinstated that the Oklahoma Public Welfare Commission proceed to give State Director H. J. Denton a contract to serve for at least 1 year and then authorize and request the State director to come to Washington immediately to represent your commission in taking necessary steps to have Oklahoma reinstated for Federal grants. I express the conviction that the Federal Board is not censuring or condemning the Oklahoma Commission, but is censuring and condemning the dissension and lack of unity, and for this reason doubt if the Federal Board will accept any resolution that may be passed by your commission. The Federal Board is convinced of the ability, sincerity, and efficiency of Director Denton, and if your commission will employ him under contract for as much as 1 year, thus assuring the State and the Federal Board that he may have a free hand to work out a solution without fear of further interference, then am confident State director can secure agreement within few hours after he reaches Washington. Immediately upon adjustment this first point, then State director can submit and certify to list of persons reinvestigated and found legally eligible to receive assistance. Thereafter additional persons may be certified for assistance just as fast as reinvestigations can be made, and all persons recertified as being eligible will receive full payments, thus causing no loss to either those legally on list or to State. Under the law all persons on old list must be reinvestigated and certified within present quarter beginning April 1 and ending June 30; hence imperative that investigation of old list must be completed and legal names certified during the present quarter if State is to receive grants covering full payment to all persons legally on old rolls. In brief, if your commission will give Director Denton a contract for 1 year and authorize him to come to Washington, all details may be worked out and agreed to and the State will receive full grants so that no loss will be sustained save in cases where payments have been made to persons not legally on the rolls.

ELMER THOMAS,
United States Senator, Oklahoma.

A bill introduced April 15, 1937, by Mr. THOMAS of Oklahoma (S. 2162) to create an old-age pension system, and for other purposes

Be it enacted, etc., That every person who gives satisfactory proof to the authority hereinafter designated that he or she (a) has reached the age of 60 years; (b) has been a citizen of the United States for 20 consecutive years, shall be entitled to receive until death a pension from the United States Government of \$30 per month.

Sec. 2. The purpose of this act is to provide a living income for all persons over 60 who are bona-fide citizens of the United States of America by birth or by naturalization and a resident herein for not less than 20 years, making thereby proof of age and citizenship the only requirement hereunder.

Sec. 3. No person who may otherwise qualify shall be denied the benefit of this act because of property owned or by reason of other income; no person shall be required to stigmatize himself (herself) by taking a pauper's oath in order to enjoy the benefits of a pension under the provisions of this act.

Sec. 4. The provisions of this act shall be administered by the Director of Pensions, who shall be appointed by the President of the United States, at a salary of \$10,000 per annum, payable monthly, said appointment shall be for a term of 4 years or until removed by order of the President. Said Director of Pensions shall be empowered to set up machinery and organization for carrying this act into effect, and for maintaining its administration and

for such other purposes as are necessary to carry out the provisions of this act.

Sec. 5. In order to meet the financial needs for the first months, there is hereby appropriated by the Congress, from the funds not otherwise apportioned, the sum of \$250,000,000, said sum to be placed at the disposal of the Director of Pensions.

Sec. 6. In order to provide sufficient continuous income for the purpose of this act, it is provided that a levy of 1½ percent of all salaries, net earnings, and net incomes of all persons receiving less than \$25,000 per year, and with a higher excise rate on larger incomes, holdings, inheritances, and gifts, graduated upward as follows: On all fortunes, gifts, inheritances, or annual incomes from \$25,000 to \$50,000, 5 percent of that part in excess of \$25,000; on all fortunes, gifts, inheritances, or annual incomes from \$50,000 to \$150,000, 10 percent of that part in excess of \$50,000; on all fortunes, gifts, inheritances, or annual incomes from \$150,000 to \$250,000, 20 percent of that part in excess of \$150,000; on all fortunes, gifts, inheritances, or annual incomes from \$250,000 to \$500,000, 35 percent of that part in excess of \$250,000; on all fortunes, gifts, inheritances, or annual incomes from \$500,000 to \$750,000, a levy of 60 percent of that part in excess of \$500,000; on all fortunes, gifts, inheritances, or annual incomes from \$750,000 to \$1,000,000, 90 percent of that part above \$750,000; on all fortunes, gifts, inheritances, or annual incomes above \$1,000,000, a levy of 95 percent on all that part in excess of \$1,000,000, to be paid into the Postal Savings Divisions of the Post Office Department and to be deposited by said Department with the Treasurer of the United States in a fund designated as the "Old-age pension fund."

Sec. 7. That an advisory board be created, said advisory board to consist of the Postmaster General, the Secretary of the Treasury, and the Secretary of Labor, who, in conjunction with the Director of Pensions, shall have the power and authority to scale downward or reduce the levy on salaries, net earnings, and net incomes to any figure under the specified percentage: *Provided*, That it is found or determined by them that a lower rate will be sufficient for their purposes in carrying out the provisions of this act.

Sec. 8. The benefits of this act shall not accrue to any person while an inmate of an insane asylum, eleemosynary institution, or while under penal sentence in any jail or penitentiary.

Sec. 9. No person above the age of 60 shall be paid a pension under the provisions of this act until he or she actually withdraws from the field of competitive earning.

Sec. 10. All laws and sections of all laws conflicting with the provisions of this act are hereby repealed.

LAW IN THE MAKING—ADDRESS BY SENATOR M'CARRAN

[Mr. ASHURST asked and obtained leave to have printed in the RECORD an address on the subject Law in the Making, delivered by Senator McCARRAN before the annual convention of the State Bar Association of Nevada, on March 25, 1938, which appears in the Appendix.]

THE WORKS PROGRAM—ADDRESS BY HARRY L. HOPKINS

[Mr. McAdoo asked and obtained leave to have printed in the RECORD a radio address delivered on Sunday, May 8, 1938, by Harry L. Hopkins, Administrator of the Works Progress Administration, which appears in the Appendix.]

ADDRESS BY HON. FRANK R. M'NINCH BEFORE NATIONAL ASSOCIATION OF BROADCASTERS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered by Hon. Frank R. McNinch, Chairman of the Federal Communications Commission, to the National Association of Broadcasters on February 15, 1938, which appears in the Appendix.]

DOMESTIC PEACE—ADDRESS BY A. F. WHITNEY

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, on April 30 in Minneapolis, Minn., before the national convention of the Women's International League for Peace and Freedom, which appears in the Appendix.]

REDUCTION OF PAY-ROLL TAXES UNDER SOCIAL SECURITY ACT

[Mr. HARRISON asked and obtained leave to have printed in the RECORD a letter addressed by Senator VANDENBERG to the Chairman of the Social Security Board concerning a reduction in pay-roll taxes under the Social Security Act, the reply of the Chairman of the Social Security Board to the letter referred to, and a statement adopted by the Advisory Council on social security, which appear in the Appendix.]

FEDERAL AID TO EDUCATION—ADDRESS BY DR. FRANK B. GRAHAM

[Mr. HARRISON asked and obtained leave to have printed in the RECORD a radio address on the subject of Federal Aid

to Education, delivered by Dr. Frank B. Graham on May 7, 1938, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—ADDRESS BY A. F. WHITNEY

[Mr. HARRISON asked and obtained leave to have printed in the RECORD a radio address delivered by A. F. Whitney, president of the Brotherhood of Railroad Trainmen, on May 7, 1938, on the subject Federal Aid to Education, which appears in the Appendix.]

FEDERAL AID TO EDUCATION AND RURAL LIBRARIES

[Mr. HARRISON asked and obtained leave to have printed in the RECORD a radio address delivered by Dr. George F. Zook, president of the American Council on Education, and also an address by Mr. Carl H. Milam, secretary of the American Library Association, on April 20, 1938, which appear in the Appendix.]

PHILIPPINE INDEPENDENCE

[Mr. BORAH asked and obtained leave to have printed in the RECORD a telegram from Vincente Tamatmat, and also an article from the Washington Evening Star, both on the subject of Philippine independence, which appear in the Appendix.]

A FOREIGN POLICY FOR AMERICA

[Mr. POPE asked and obtained leave to have printed in the RECORD an article appearing in the Nation on May 7, 1938, entitled "A Foreign Policy for America," which appears in the Appendix.]

THE EDUCATION OF DR. FRANK—EDITORIAL FROM ST. LOUIS STAR-TIMES

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial published in the St. Louis Star-Times of May 7, 1938, entitled "The Education of Dr. Frank," which appears in the Appendix.]

THE MERCHANT MARINE

Mr. COPELAND. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3078) to amend the Merchant Marine Act, 1936, and for other purposes.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 3078) to amend the Merchant Marine Act, 1936, and for other purposes.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

Mr. NEELY. Mr. President, last Thursday I notified the Senate that not later than today I would move to proceed to the consideration of Senate bill 153. But the able Senator from New York informs me that the bill to which he has just spoken has been partially considered. Therefore, out of deference to him and in submission to the necessities of the existing situation, I shall defer the making of my motion until the Senate shall have disposed of the merchant marine bill. Just as soon as that bill is out of the way I shall endeavor to have Senate bill 153 made the unfinished business.

Mr. COPELAND. I am very much obliged to the Senator from West Virginia.

Mr. President, when we ended consideration of the maritime bill yesterday the pending amendment was on page 24, section 612. I dislike to proceed with this amendment until the Senator from Missouri [Mr. CLARK] is present. I ask unanimous consent that it be passed over without prejudice until the Senator from Missouri shall return to the Chamber.

Mr. McKELLAR. Of what amendment is the Senator speaking?

Mr. COPELAND. The one on page 24, beginning on line 13, which the Senator from Missouri was debating yesterday. I am not referring to the one to which the Senator from Tennessee called attention.

Mr. McKELLAR. If the Senator desires to have that amendment passed over, I ask unanimous consent that it be passed over.

The PRESIDENT pro tempore. Without objection, the amendment on page 24, beginning with line 13, will be temporarily passed over.

The clerk will state the next committee amendment.

The next committee amendment was, on page 28, beginning with line 22, to strike out to and including line 4 on page 30, as follows:

Sec. 35. Section 805 (c) of the Merchant Marine Act, 1936, is hereby amended to read as follows:

"(c) No director, officer, or employee (which terms shall be construed in the broadest sense to include, but not to be limited to, managing trustee or other administrative agent) shall receive from any contractor, holding a contract authorized by title VI or title VII of this act, and its affiliate, subsidiary, associate, directly or indirectly, wages, salary, allowances, or compensation in any form for personal services which will result in such person's receiving a total compensation for his personal services from such sources exceeding in amount or value \$25,000 per annum, and no such person or concern shall be qualified to receive or thereafter to hold any contract under this part if such person or concern, its subsidiary, affiliate, or associate, pays or causes to be paid, directly or indirectly, wages, salary, allowances, or compensation in any form for personal services which result in such person's receiving a total compensation for his personal services from such sources exceeding in amount or value \$25,000 per annum, except that the Commission, by a vote of four members (except as provided in section 201 (a)) may grant an exemption in writing from the provisions of this subsection, upon such terms and conditions and for such specific period of time as the Commission deems necessary or appropriate to carry out the policy of this act, in any case where the Commission finds that such exemption is justified by reason of the character or extent of shipping operations conducted by the contractor, and that the enforcement of any such provisions is not necessary to safeguard the economical and fair application of subsidies paid the contractor under this act, or that such exemption will promote economy or efficiency of service."

Mr. McKELLAR. Mr. President, may we have an explanation of that amendment? I think a bill as important as this should receive some explanation. In 1936 we passed a bill creating the Merchant Marine Commission. I should like the Senator from New York to make a statement as to why the amendments are necessary. There seem to be a great number of amendments.

Mr. COPELAND. Mr. President, in yesterday's RECORD will be found a complete statement of the reasons for the bill and a description of and argument with reference to the various amendments of the bill. The statement is to be found beginning on page 6470. It covers that page and pages 6471 and 6472, and ends on page 6473.

This particular amendment was presented to us by the Maritime Commission. As a matter of fact, the whole bill was presented to us by the Maritime Commission, except title X, which was modified by the Committee on Education and Labor. I claim no originality or glory for anything in the bill. I simply presented the bill as it came from the Commission.

When the committee came to study this particular section in the bill submitted by the Maritime Commission, which raised the limit from \$17,500 to \$25,000, the committee took the view that we ought not to pay the executive officers of shipping concerns such high salaries. I am sure the Senator from Tennessee will agree with that view.

Mr. McKELLAR. As I understand, the provision in the bill increases the limit from \$17,500 to \$25,000.

Mr. COPELAND. It would have done so if it had not been stricken out by the Committee on Commerce. We are now asking the Senate to concur in the view of the committee, which was against placing the salary at \$25,000. We struck out the provision suggested by the Maritime Commission, so that the present law would be left intact.

The PRESIDENT pro tempore. The question is on agreeing to the amendment beginning in line 22 on page 28 and extending to line 4 on page 30.

The amendment was agreed to.

The next amendment was, on page 31, after line 16, to strike out:

Sec. 38. Section 810 of the Merchant Marine Act, 1936, is hereby repealed.

Mr. McKELLAR. Mr. President, will the Senator explain that amendment?

Mr. COPELAND. The Maritime Commission asked that section 810 of the Merchant Marine Act of 1936 be repealed, and we did not agree with the Commission.

Mr. McKELLAR. What does section 810 provide?

Mr. COPELAND. Section 810 reads as follows:

SEC. 810. It shall be unlawful for any contractor receiving an operating-differential subsidy under title VI or for any charterer of vessels under title VII of this act, to continue as a party to or to conform to any agreement with another carrier or carriers by water, or to engage in any practice in concert with another carrier or carriers by water, which is unjustly discriminatory or unfair to any other citizen of the United States who operates a common carrier by water exclusively employing vessels registered under the laws of the United States on any established trade route from and to a United States port or ports.

No payment or subsidy of any kind shall be paid directly or indirectly out of funds of the United States or any agency of the United States to any contractor or charterer who shall violate this section. Any person who shall be injured in his business or property by reason of anything forbidden by this section may sue therefor in any district court of the United States in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

The Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Missouri [Mr. CLARK] came before the committee and objected to giving such power to the Commission. The proposal was the subject of two hearings. Finally, the Committee on Commerce decided to disagree with the recommendation of the Maritime Commission, and to strike from the bill the proposal which had been presented by the Commission. The Senator from Wyoming and the Senator from Missouri were very insistent that the Maritime Commission ought not to be given such power.

Mr. BONE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BONE. I was otherwise engaged at the time the vote was taken on section 35, on pages 28, 29, and 30 of the bill, eliminating the limit of \$25,000 for salaries. I listened to the discussion in the old ship mail subsidy arguments, and I see no reason why we should fail to limit salaries. Since the section, which is evidently approved by the Maritime Commission—if not, it should have been—has been adopted, I should merely like to have the RECORD show that had there been a roll-call vote I should have voted against striking out section 35. I think \$25,000 a year is enough for the officials.

Mr. McKELLAR. The limit is now less than that. It is \$17,500, and the proposed provision would have increased it to \$25,000.

Mr. BONE. Abuses occur very readily. The income of the shipping lines is to be derived in part from the revenues of the Treasury of the United States, and I think Congress has not only the moral right but the duty to exercise its sound judgment in matters of this kind and put a definite ceiling on salaries paid to men running private business enterprises which are being financed in part out of the Treasury of the United States.

Mr. McKELLAR. That is exactly what I am trying to state. As I understand the explanation made by the Senator from New York, the present law fixes a limit of \$17,500. The Senator will recall that such a limitation was made in an amendment to the Merchant Marine Act. I think the amendment was offered by former Senator Black, of Alabama, who is now an Associate Justice of the Supreme Court. There is a \$17,500 limitation under present law. The proposal of the Maritime Commission would have fixed a \$25,000 limitation, but that proposal has been stricken out.

Mr. BONE. I did not see the bill until a short while ago. I have been busy and have not had an opportunity to read it. Am I to understand that if the provision suggested by the Maritime Commission is stricken from the bill, the law will then provide a limit of \$17,500?

Mr. COPELAND. Whatever the limit is. I think the limit is \$25,000. However, if the committee amendment were rejected, the salaries could go to \$50,000 or \$100,000. The purpose of the amendment is to defeat the recommendation of the Maritime Commission to take off the ceiling.

Mr. BONE. As I read the provision suggested by the Maritime Commission, it fixes a limit of \$25,000 on salaries. It says the compensation shall not exceed \$25,000. Of course, that provision is a blanket authority to go to \$25,000. I

should like to know, if that limitation is stricken out, whether there is any existing law which limits the salaries.

Mr. COPELAND. The limit proposed was \$25,000, with an exception in the following language:

Except that the Commission, by a vote of four members (except as provided in section 201 (a)), may grant an exemption in writing from the provisions of this subsection, upon such terms and conditions and for specific period of time as the Commission deems necessary or appropriate to carry out the policy of this act.

In other words, if the provision suggested by the Maritime Commission were approved instead of being stricken out, the Commission could raise the salary of any official of any shipping line. The purpose of the committee amendment is to accomplish exactly what the Senator has in his mind; that is, to prevent the ceiling from being removed.

Mr. BONE. As I have said, I have not had an opportunity to examine the bill. I looked at it for the first time a moment ago. However, if the provision suggested by the Maritime Commission is stricken out, I am wondering what language will remain in the act as amended by this bill, which will put a ceiling on salaries.

Mr. COPELAND. That object will be accomplished by the language remaining in the act.

Mr. BONE. I think our attention should be directed to the particular language. Otherwise much confusion will exist. We went over the matter once in this body and I think we developed enough scandal to justify us in being very careful at this time.

Mr. COPELAND. It was because of the very thing the Senator has in mind, and for the reasons given by him, that the committee said, "No; we will not remove the ceiling."

Section 804 (c) of the Maritime Act provides:

(c) No director, officer, or employee (which terms shall be construed in the broadest sense to include, but not to be limited to, managing trustee or other administrative agent) shall receive from any contractor, holding a contract authorized by title VI or title VII of this act and its affiliate, subsidiary, associate, directly or indirectly, wages, salary, allowances of compensation in any form for personal services which will result in such person's receiving a total compensation for his personal services from such sources exceeding in amount or value \$25,000 per annum, and no such person or concern shall be qualified to receive or thereafter to hold any contract under this part, if such person or concern, its subsidiary, affiliate, or associate pays or causes to be paid, directly or indirectly, wages, salary, allowances, or compensation in any form for personal services which result in such person's receiving a total compensation for his personal services from such sources exceeding in amount or value \$25,000 per annum.

That is the existing law. It was proposed to take the language in the existing law, and to add thereto the following:

Except that the Commission, by a vote of four members (except as provided in section 201 (a)), may grant an exemption in writing from the provisions of this subsection, upon such terms and conditions and for such specific period of time as the Commission deems necessary or appropriate to carry out the policy of this act, in any case where the Commission finds that such exemptions justified by reason of the character or extent of shipping operations conducted by the contractor, and that the enforcement of any such provisions is not necessary to safeguard the economical and fair application of subsidies paid the contractor under this act, or that such exemption will promote economy or efficiency of service.

It was argued by Mr. Kennedy, personally, before the committee that the \$25,000 limitation was not sufficient and that the limit should be extended in exceptional cases. The committee did not agree with that contention. The Senator from Michigan [Mr. VANDENBERG] offered a motion to disagree to the amendment and the motion was unanimously adopted by the committee. I think that answers the question of the Senator from Washington.

Mr. BONE. I had the impression, due to the fact that the occurrence dates back a number of years, that a limit of \$17,500 had been imposed.

Mr. COPELAND. That was the first thought I had, but I remember very well the discussion we had at the White House with the President, with Senator Black, representatives of the Post Office Department, and others. At that time, as I recall, there was a general agreement that \$25,000 should be the limit. Does that answer the Senator?

Mr. BONE. I now have the statute before me, and I find that is the wording of the statute.

The PRESIDING OFFICER. Is there objection to the committee amendment on page 31, striking out section 38? The Chair hears none, and, without objection, the amendment is agreed to.

The next amendment will be stated.

The next amendment of the Committee on Commerce was, in section 42, page 32, line 19, after the word "therein", to strike out "(1)"; in line 20, after the word "by", to strike out "any person"; in line 21, after the name "United States", to strike out "or (2) any vessel documented under the laws of the United States" and insert "documented under the laws of the United States, or the last documentation of which was under the laws of the United States", so as to read:

Sec. 42. Section 9 of the Shipping Act, 1916, is hereby amended by striking out paragraphs 3 and 4 and inserting in lieu thereof the following:

"Except as provided in section 611 of the Merchant Marine Act, 1936, as amended, it shall be unlawful, without the approval of the United States Maritime Commission, to sell, mortgage, lease, charter, deliver, or in any manner transfer, or agree to sell, mortgage, lease, charter, deliver, or in any manner transfer, to any person not a citizen of the United States, or transfer or place under foreign registry or flag, any vessel or any interest therein owned in whole or in part by a citizen of the United States, and documented under the laws of the United States, or the last documentation of which was under the laws of the United States."

Mr. McKELLAR. Mr. President, I should like an explanation of that amendment.

Mr. COPELAND. This section amends section 9 of the Shipping Act of 1916 which now makes it unlawful to sell, transfer, or mortgage any vessel "documented under the laws of the United States" to any alien without obtaining the approval of the Maritime Commission.

It is possible at present for the owner of a documented vessel to evade this provision by selling the vessels to another citizen of the United States who does not have it redocumented. The vessel may then be sold to an alien without the consent of the Commission. The suggested amendment will prevent such an evasion by prohibiting the transfer of any vessel or any interest therein documented under the laws of the United States or owned by a citizen of the United States whether documented or not.

Mr. McKELLAR. I have no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The clerk will state the next committee amendment.

The next amendment of the Committee on Commerce was, on page 33, line 1, after the word "any", to insert "such", so as to read:

Any such vessel, or any interest therein chartered, sold, transferred, or mortgaged to a person not a citizen of the United States or placed under a foreign registry or flag, or operated in violation of any provision of this section, shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than \$5,000 or to imprisonment for not more than 5 years, or both.

The amendment was agreed to.

The next amendment was, on page 35, after line 15, to strike out—

Sec. 45. The Merchant Marine Act, 1936, is hereby amended by adding a new title to be known as title X and to read as follows:

"TITLE X"

"Sec. 1001. For the purposes of this title—

"(a) The term 'maritime employer' means any person not included in the term 'carrier' in title I of the Railway Labor Act who (1) is engaged in the transportation by water of passengers or property between the United States or any of its districts, Territories, or possessions and a foreign country, or engaged in the transportation by water of passengers or property on the high seas or the Great Lakes from one State, Territory, district, or possession of the United States to any other State, Territory, district, or possession of the United States; (2) is engaged in towboat, barge, or lighterage service in connection with the transportation by water of passengers or property as set forth in clause (1) hereof; (3) operates or manages or controls the operation or management of any wharf or pier or any dock or any water space for the accommodation of vessels engaged in the transportation by water of passengers or property as set forth in clause (1) hereof; (4) is engaged in the business of loading or unloading vessels engaged in the transportation by water of passengers or property as set forth in

clause (1) hereof; or (5) operates any equipment or facilities directly connected with the services set forth in clauses (1), (2), (3), and (4) hereof. The United States Maritime Commission is hereby authorized and directed, upon request of the Mediation Board, to determine, after investigation, whether any employer is a maritime employer within the meaning of this subsection.

"(b) The term 'employee' means any person who performs any work as an employee or subordinate official of any maritime employer subject to its authority to supervise and direct the manner of rendition of service when the duties assigned to or services rendered by such employee, directly or indirectly, in any manner, affect, relate to, or are concerned with the transportation by water of passengers or property as set forth in clause (1) of subsection (a) of this section; or the furnishing of equipment and facilities therefor or services thereto as set forth in clauses (2), (3), (4), and (5) of subsection (a) of this section; it being intended that this title should apply not only to those persons whose work may be exclusively in connection with the movement of passengers and property in the interstate and foreign commerce of the United States but also to those persons whose work may have such a close relation to the movement of such interstate and foreign commerce that the provisions of this title are essential and appropriate to secure the freedom of that commerce from interference and interruption. The provisions of this title shall not apply to the master or members of the crew of any vessel not documented, registered, licensed, or enrolled under the laws of the United States. The United States Maritime Commission is hereby authorized and directed, upon request of the Mediation Board, to determine, after investigation, whether any person is an employee within the meaning of this subsection.

"(c) The term 'Railway Labor Act' means the Railway Labor Act, approved May 20, 1926, as amended.

"(d) The term 'Mediation Board' means the National Mediation Board created by the Railway Labor Act.

"Sec. 1002. All provisions of title I of the Railway Labor Act, with the exception of the provisions of section 2, paragraphs fourth, fifth, and ninth; section 3; and section 10 are extended to and shall cover every maritime employer and every employee of such maritime employer as they are defined in section 1102 hereof, in the same manner and to the same extent as though such maritime employers and their employees were specifically included within the definition of 'carrier' and 'employee' in section 1 thereof.

"Sec. 1003. If any dispute shall arise among the employees of a maritime employer as to who are the representatives of such employees designated and authorized to act for them for the purposes of this title, it shall be the duty of the National Labor Relations Board, upon request of any party to the dispute, or the maritime employer, promptly to determine, in the same manner as provided in the National Labor Relations Act for the selection of representatives for the purposes of collective bargaining, and to certify to the parties and to the maritime employer in writing, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute. Upon receipt of such certification the maritime employer shall treat with the representatives so certified as the representatives of such employees.

"Sec. 1004. Disputes between a maritime employer or group of maritime employers and any of its or their employees growing out of grievances, or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, shall be handled in compliance with the provisions of any agreement relating to the settlement of such disputes or in the usual manner up to and including the chief operating officer of the maritime employer designated to handle such disputes; but, failing to reach an adjustment in either manner, the disputes may be referred by petition of the parties or by either party to an appropriate adjustment board, as hereinafter provided, with a full statement of the facts and supporting data bearing upon the disputes.

"It shall be the duty of every maritime employer and of its employees, acting through their representatives, to establish a board of adjustment with jurisdiction not exceeding the jurisdiction which may be lawfully exercised by system, group, or regional boards of adjustment, under the authority of section 3, title I, of the Railway Labor Act.

"Sec. 1005. When, in the judgment of the Mediation Board, it shall be necessary to have a permanent national board of adjustment in order to provide for the prompt and orderly settlement of disputes between said maritime employers, or any of them, and its or their employees growing out of grievances, or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions, the Mediation Board is hereby empowered and directed to establish a National Maritime Adjustment Board. Such Board shall be composed of such number of persons as the Mediation Board may determine, and its members shall be selected in the manner and by the procedure prescribed by section 3 of title I of the Railway Labor Act for the selection and designation of members of the National Railroad Adjustment Board. The National Maritime Adjustment Board shall meet within 40 days after the date of the order of the Mediation Board directing the selection and designation of its members and shall organize and adopt rules for conducting its proceedings, in the manner prescribed in section 3 of title I of the Railway Labor Act. Vacancies in membership or office shall be filled; members shall be appointed in case of failure of the maritime employers or of labor organizations of the employees to select and designate representatives; members of the National Maritime Adjustment

Board shall be compensated; hearings shall be held; findings and awards made, stated, served, and enforced; and the number and compensation of any necessary assistants shall be determined and the compensation of such employees shall be paid, all in the same manner and to the same extent as provided with reference to the National Railroad Adjustment Board by section 3 of title I of the Railway Labor Act. The powers and duties prescribed and established by the provisions of section 3 of title I of the said act with reference to the National Railroad Adjustment Board and the several divisions thereof are hereby conferred upon and shall be exercised and performed in like manner and to the same extent by the National Maritime Adjustment Board with respect to maritime employers and their employees. From and after the organization of the National Maritime Adjustment Board, if any board of adjustment established by any maritime employer or maritime employers and any class or classes of its or their employees is not satisfactory to either party thereto, the said party, upon 90 days' notice to the other party, may elect to come under the jurisdiction of the National Maritime Adjustment Board.

"Sec. 1006. If a dispute between a maritime employer or employers and its or their employees is not adjusted under the provisions of this title, and if in the judgment of the Mediation Board such failure to adjust the dispute shall threaten substantially to interrupt the flow of domestic and foreign water-borne commerce to the detriment of the public interest or to deprive any section of the country of an essential water-borne transportation service, the Mediation Board shall immediately notify the United States Maritime Commission of such failure to adjust the dispute. The Maritime Commission may thereupon, in its discretion, create a board to investigate and report respecting such dispute. Such board shall be composed of such number of persons as to the Maritime Commission may seem desirable: *Provided, however*, That no member appointed shall be peculiarly or otherwise interested in any organization of employees or any maritime employer. The compensation of the members of any such board shall be fixed by the Maritime Commission. Such board shall be created separately in each instance and it shall investigate promptly the facts as to the dispute and make a report thereon to the Maritime Commission within 30 days from the date of its creation.

"There is hereby authorized to be appropriated such sums as may be necessary for the expenses of such board, including the compensation and the necessary traveling expenses and expenses actually incurred for subsistence, of the members of the board. All expenditures of the board shall be allowed and paid by the Maritime Commission on the presentation of itemized vouchers therefor approved by the chairman of such board.

"After the creation of such board and for 30 days after such board has made its report to the Maritime Commission, no change except by agreement of the parties, shall be made by the parties to the controversy in the conditions out of which the dispute arose.

"Sec. 1007. Except as provided in this title with respect to maritime employers and their employees, nothing herein shall be construed to repeal or amend any provision of the National Labor Relations Act or to restrict the powers and duties conferred upon the National Labor Relations Board by said act.

"Sec. 1008. If any provision of this title or application thereof to any person or circumstance is held invalid, the remainder of the title and the application of such provisions to other persons or circumstances shall not be affected thereby.

"Sec. 1009. There is hereby authorized to be appropriated such sums as may be necessary for expenditure by the Mediation Board in carrying out the provisions of this title."

And in lieu thereof to insert:

SEC. 45. That the Merchant Marine Act, 1936, is amended by adding at the end thereof the following new title:

"TITLE X

"SEC. 1001. It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of water-borne commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and the prompt and orderly settlement of all disputes concerning rates of pay, hours of employment, rules, or working conditions, including disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, hours of employment, rules, or working conditions.

"NATIONAL LABOR RELATIONS BOARD

"SEC. 1002. (a) The provisions of this title shall not in any manner affect or be construed to limit the provisions of the National Labor Relations Act, including the right of employees to strike or engage in other concerted activities, nor shall any of the unfair labor practices listed therein be considered a dispute for the purposes of this title. Questions concerning the representation of employees of a maritime employer shall be considered and determined by the National Labor Relations Board in accordance with the provisions of the National Labor Relations Act: *Provided, however*, That nothing in this title shall constitute a repeal or otherwise affect the enforcement of any of the navigation laws of the United States.

"DEFINITIONS

"Sec. 1003. When used in this title—

"(a) The term 'water-borne commerce' means commerce by water among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation.

"(b) The term 'maritime employer' means any person not included in the term 'carrier' in title I of the Railway Labor Act, approved May 20, 1926, as amended, who (1) is engaged in the transportation by water of passengers or property in water-borne commerce; (2) is engaged in towboat, barge, or lighterage service in connection with the transportation of passengers or property in water-borne commerce; (3) operates or manages or controls the operation or management of any wharf, pier, dock, or water space for the accommodation of vessels engaged in the transportation of passengers or property in water-borne commerce; (4) is engaged in the business of loading or unloading vessels engaged in the transportation of passengers or property in water-borne commerce; or (5) operates any equipment or facility connected with the services set forth in clauses (1), (2), (3), and (4) hereof which is necessary for the continuity of flow of passengers and property in such water-borne commerce.

"(c) The term 'employee' means any person who performs any work as an employee or subordinate official of any maritime employer, subject to its authority to supervise and direct the manner of rendition of service, when the duties assigned to or services rendered by such person directly or indirectly in any manner affect, relate to, or are concerned with the transportation of passengers or property in water-borne commerce, or the furnishing of equipment or facilities therefor, or services in connection therewith, as set forth in clauses (2), (3), (4), and (5) of subsection (b) of this section; it being intended that this title should apply not only to those persons whose work may be exclusively in connection with the movement by water of passengers and property in the interstate and foreign commerce of the United States but also to those persons whose work may have such a close relation to the movement of such interstate and foreign commerce that the provisions of this title are essential and appropriate to secure the freedom of that commerce from interference and interruption: *Provided, however*, That such term 'employee' shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, as defined in the National Labor Relations Act, and who has not obtained any other regular and substantially equivalent employment. The provisions of this title shall not apply to the master or members of the crew of any vessel not documented, registered, licensed, or enrolled under the laws of the United States.

"DUTIES OF EMPLOYER AND EMPLOYEE

"SEC. 1004. It shall be the duty of all maritime employers, their officers and agents, and their employees or the duly selected representatives of such employees—

"(a) To exert every reasonable effort (1) to make and maintain written agreements concerning rates of pay, hours of employment, rules, and working conditions, which agreements shall provide, by means of adjustment boards or port committees, for the final adjustment of disputes growing out of grievances or the application or interpretation of the terms of such agreements; (2) to settle all disputes, whether arising out of the interpretation or application of such agreements or otherwise, in order to avoid any interruptions to transportation of passengers or property in water-borne commerce; and

"SEC. 1005. Within 30 days after the date of enactment of this title, every maritime employer shall file with the Maritime Labor Board a copy of each contract with any group of its employees in effect on April 1, 1938, covering rates of pay, hours of employment, rules, and working conditions. When any new contract is executed or any change is made in an existing contract with any group of its employees covering rates of pay, hours of employment, rules, or working conditions, any maritime employer shall file a copy of such contract, or a statement setting forth such change, with the Maritime Labor Board within 10 days after such new contract has been executed, or such change has been made. Any maritime employer who willfully fails to file any copy of a contract or statement as required by this section shall be subject to a fine of not more than \$100 for each offense.

"SEC. 1006. All matters relating to the making and maintaining of agreements, and all disputes, between a maritime employer or employers and its or their employees shall be considered and, if possible, adjusted with all expedition, in conference between representatives designated and authorized by the maritime employer or employers and by its or their employees, respectively. It shall be the duty of the designated representatives of maritime employers and employees, within 5 days after the receipt of notice of a desire on the part of either party to confer in regard to such matters and disputes, to specify a time and place at which such conference shall be held. The place so specified shall be reasonably accessible to both parties; and the time so specified shall

allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 10 days from the receipt of such notice. Nothing in this title shall be construed to supersede the provisions of any agreement as to conferences in effect between the parties.

"MARITIME LABOR BOARD"

"Sec. 1007. (a) There is hereby established as an independent agency in the executive branch of the Government a board to be known as the 'Maritime Labor Board' (hereinafter referred to as the 'Board') to be composed of three members appointed by the President, by and with the advice and consent of the Senate. The President shall name one of the members of the Board as Chairman. The terms of office of the members of the Board shall extend to the date of expiration of this title. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board. Two of the members in office shall constitute a quorum for the transaction of the business of the Board. Each member of the Board shall receive a salary at the rate of \$10,000 per annum, together with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the Board on business required by this title. No person in the employment of, or who is peculiarly or otherwise interested in, any organization of maritime employees or any maritime employer shall enter upon the duties of, or continue to be, a member of the Board.

"A member of the Board may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or ineligibility, but for no other cause.

"(b) The Board shall maintain its principal office in the District of Columbia, but it may meet at any other place whenever it deems it necessary to do so. The Board is hereby authorized to adopt all necessary rules and regulations to carry out the powers, duties, and functions vested in it by this title. The Board shall have a seal which shall be judicially noticed.

"(c) The Board may (1) without regard to the civil-service laws, appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service laws, appoint such other officers and employees, as are essential to the effective transaction of the work of the Board; (2) in accordance with the Classification Act of 1923, as amended, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Board) as may be necessary for the execution of the functions vested in the Board, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman or by any employee of the Board designated by the chairman for that purpose.

"(d) The Board is hereby authorized by its order to assign, or refer, any portion of its work, business, or functions to an individual member of the Board, or an employee or employees of the Board, to be designated by such order, for action thereon; and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Board. In conformity with and subject to the order or orders of the Board in the premises, any such individual member of the Board or employee designated shall have power and authority to act as to any of said work, business, or functions so assigned or referred to him for action by the Board.

"POWERS OF BOARD"

"Sec. 1008. (a) In the event both parties to any dispute shall consent to mediation or arbitration, the Board shall have power to hold hearings and conduct inquiries, to administer oaths and affirmations, to examine witnesses and receive evidence, to issue subpoenas requiring the attendance of witnesses and the production of records and other evidence, whenever necessary to the performance of the duties imposed upon the Board by this title: *Provided, however,* That the power to issue subpoenas requiring the attendance of witnesses and the production of records and other evidence shall not extend to the employer, his officers and agents, and his employees, or the duly selected representatives of such employees while the strike is actually in progress.

"(b) In case of contumacy or refusal to obey a subpoena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the hearing or inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, shall, upon application by the Board, have jurisdiction to issue to such person an order requiring such person to appear before the Board, there to give testimony or produce records or other evidence, if so ordered, concerning the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof. All processes of any court to which

application may be made under this title may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

"MEDIATION"

"Sec. 1009. (a) It shall be the duty of the Board, upon request of either the duly selected representatives of a maritime employer or employers or its or their employees who are parties to the making of a labor agreement, to encourage and assist in the making of such agreement, or, upon the request of both parties at interest, to assist in the interpretation of the provisions of an agreement already in existence.

"(b) The parties to a dispute between an employee or a group of employees and a maritime employer or group of maritime employers, may request the Board to act as mediator in such disagreements. The Board may, however, withhold its mediation services upon its own finding that such action would be in accordance with the public interest. The Board may proffer its services in case any maritime labor dispute is found by it to exist at any time. When a request for mediation is granted by the Board, or when the Board on its own initiative proffers such mediation, the Board shall promptly put itself in communication with the parties to such dispute and shall use its best efforts by mediation to bring them to agreement.

"ARBITRATION"

"Sec. 1010. If the Board should be unable through mediation to bring the parties to a dispute to agreement in whole or in part, it shall, as its last required action, use its best efforts to secure the assent of both parties to arbitration of the matter or matters in dispute.

"PERMANENT LABOR POLICY"

"Sec. 1011. On or before March 1, 1940, the Board shall submit to the President and to Congress a comprehensive plan for the establishment of a permanent Federal policy for the amicable adjustment of all disputes between maritime employers and employees and for the stabilization of maritime labor relations. As far as may be, the Board shall seek to secure through its mediatory efforts agreement between maritime employers and employees upon the plan it is hereby required to submit.

"AUTHORIZATION"

"Sec. 1012. There is hereby authorized to be appropriated such sums as may be necessary for expenditure by the Board in carrying out the provisions of this title.

"Sec. 1013. This title shall expire at the end of 3 years from the date of its enactment."

Mr. McKELLAR. Mr. President, may we have an explanation of the amendment striking out the original language and inserting new matter?

Mr. COPELAND. Mr. President, title X, which is stricken from the bill, was requested and urged by the Maritime Commission. The Commission desired to have the Railway Labor Board made the mediation and arbitration board with relation to maritime disputes. When this matter was before the Commerce Committee, the able Senator from Utah [Mr. THOMAS], chairman of the Committee on Education and Labor of the Senate, and the members of that committee sat with the Commerce Committee. Jointly we heard the testimony of the Maritime Commission and of others attempting to justify the provision as written and presented by the Maritime Commission.

The Commerce Committee requested the Committee on Education and Labor to take over title X, to give it consideration, and to report back to the Commerce Committee, with its recommendation either for or against the proposal of the Maritime Commission or to offer a substitute. So this language is stricken from the bill, and title X, beginning on page 44, is the language which was determined upon by the Committee on Education and Labor, and is before the Senate for consideration. It was adopted by the Commerce Committee and made a part of the bill to be reported to the Senate.

I am very happy that the chairman of the Committee on Education and Labor is present because he gave this matter study extending over days and even weeks. There were hearings. The National Labor Relations Board appeared; representatives of the Department of Labor appeared, and the Maritime Commission and others appeared. Title X as it is written in the bill sets up an independent mediation board for maritime affairs. It was argued in the Education and Labor Committee by the Senator from Wisconsin [Mr. LA FOLLETTE], that he did not think it would be fair to

the railroad brotherhoods, who have been so enthusiastic in support of the Railroad Labor Board, to have that Board act in maritime labor matters. There was, moreover, an unwillingness on the part of the majority of the Railroad Labor Board to take over new functions in a field relatively unfamiliar to them. So, after consideration of all these matters, the Committee on Education and Labor brought forth the idea of providing an independent board, which is set up in this title.

Title X, as written, goes along very logically, I think. It points out in section 1002 what the relation of the National Labor Relations Board is to be. That is—

The provisions of this title shall not in any manner affect or be construed to limit the provisions of the National Labor Relations Act, including the rights of employees to strike.

Then certain definitions are set up; the duties of employer and employee are set forth, and in section 1007, which is found on page 49, provision is made for the maritime labor board, to be composed of three members to be appointed by the President. The work of this board is limited to a period of 2 years. At the end of that time the board must present to the President and the Congress—

A comprehensive plan for the establishment of a permanent Federal policy for the amicable adjustment of all disputes between maritime employers and employees and for the stabilization of maritime labor relations.

Mr. McKELLAR. Mr. President, may I ask the Senator, does this exclude the National Labor Relations Board and the other boards that heretofore have had jurisdiction, and does it give the new board sole jurisdiction over the matter?

Mr. COPELAND. It does not in any sense displace the National Labor Relations Board or any other board that generally functions. The matters which come before this board are entirely voluntary; there is no compulsion, no coercion. As a matter of fact, there is not any compulsion or coercion in the Railway Labor Board.

I notice by the New York newspapers this morning that the able newspapermen have fallen into error with respect to this particular provision.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. I should like to ask the chairman of the committee whether in the very voluminous hearings which were held before the committee he heard one single intelligent argument against applying the principle of mediation to the maritime situation as well as to the railroad-labor situation as was recommended by Chairman Kennedy, of the Maritime Commission? It seems to me that this provision is worse than no provision at all.

Mr. COPELAND. I will try to answer that question. I hope I can do it convincingly. That is assuming a good deal, but there is no argument that I recall against some provision for mediation. We never can hope to have peace anywhere unless some agency is set up or some device advanced for the amicable adjustment of difficulties. I am here to say that so far as I am concerned, as I have said a hundred times, we might as well not have any merchant marine, we might as well vote no money for a merchant marine, as to have a merchant marine manned by dissatisfied employees and one in which disputes are to be prevalent, as they have been. A million man-days were lost on the part of maritime employees in the first 11 months of last year—a million days!

I have no fault to find with the complaints made by maritime employees. I think they have been exploited and outrageously treated in times past.

Mr. CLARK. Mr. President, if the Senator will yield, I think no one who is at all familiar with the situation questions the fact that under our system, over a period of a great many years, seamen have been outrageously exploited, even assuming that they have been treated better than the seamen of most other nations. I do not think anybody questions that fact. The point to which I am adverting is the question whether or not the principle of mediation, which has been proved entirely sound with regard to one of our great trans-

portation agencies, would not prove equally sound with regard to another of our great transportation agencies, particularly when the Government is putting up the money.

Mr. COPELAND. I do not need to impress upon the Senator from Missouri that, so far as I am personally concerned, I was in favor of the language presented by the Maritime Commission. But these other matters came up—the unwillingness of a majority of the Railway Labor Board to assume these new duties; the suggestion made by the Senator from Wisconsin that railroad labor probably would not be glad if the present condition were changed. I sincerely hope the Senator from Utah [Mr. THOMAS] will discuss this proposal soon. He can do it so much better than I ought to retire now in his behalf.

Certainly the National Mediation Board cannot exercise arbitrary power.

Mr. CLARK. I will say to the Senator that nobody thinks the National Mediation Board should be allowed to exercise arbitrary powers, or that any other board should.

Mr. COPELAND. No; but the Senator said that he felt this proposal was a decided let-down. What I am trying to argue is that possibly the Senator is mistaken. I do not think it is a let-down. I think this is a very sane and sensible provision.

Mr. BURKE rose.

Mr. COPELAND. The provision has this virtue, if I may speak of it after the Senator from Nebraska has spoken—

Mr. BURKE. I suggest that the Senator speak first, and then I will ask the question I have in mind.

Mr. BONE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BONE. May I impose on the always good-natured Senator from New York to inquire about another phase of the bill? I am compelled to leave the Chamber, and I should like to ask about one other matter, which probably can be cleared up with no difficulty, if I may divert the Senator from his present argument.

Mr. COPELAND. Certainly; go ahead.

Mr. BONE. On pages 33 and 34 of the bill appear amendments. One is designated "section 5, beginning in line 20, page 33," and sets forth that—

The provisions of this act are extended and shall apply to every common carrier by water in interstate commerce, as defined in section 1 of the Shipping Act, 1916.

On the following page of the bill, page 34, there is a similar statement:

That the provisions of the Shipping Act, 1916, as amended, shall in all respects, except as amended by this act, continue to be applicable to every carrier subject to the provisions of this act.

I do not think that is so important; but I look at the Shipping Act of 1916—

Mr. COPELAND. Did the Senator read simply section 5?

Mr. BONE. It is a part of section 43 of this bill, but is designated as section 5.

I look at the Shipping Act of 1916, which, by that language, is incorporated in this bill and by reference made a part of this bill, and I find that a common carrier by water in interstate commerce is made specifically by the Shipping Act of 1916 to include intercoastal shipping from the Pacific to the Atlantic coast. Therefore, it seems to be the clear purpose of the framers of this proposed legislation to bring intercoastal shipping within the provisions of the subsidy measure that is embodied in this bill and the act it amends. In other words, the operating differential and the construction differential subsidies will now, by this reference, flow to intercoastal ships.

I merely wish to know if that is the purpose of the bill.

Mr. COPELAND. If that provision is in the bill, by direct language or by indirection, I want to know it. Where is it?

Mr. BONE. For the purpose of the RECORD, let me read this language and see if it does not give all the lawyers in the country a headache. If it is not intended to subsidize the intercoastal boats, we shall have language in the bill which will cause litigation and will cause repeated applications on the part of the intercoastal lines for subsidy.

At the bottom of page 33, I read the following:

The provisions of this act are extended and shall apply to every common carrier by water in interstate commerce, as defined in section 1 of the Shipping Act, 1916.

So we have to go back to the Shipping Act of 1916 to find out what vessels it brought within the definition of "common carrier by water in interstate commerce."

Mr. COPELAND. Let me interrupt the Senator. Please go back to line 9 of page 33. We are now dealing with section 43 of the Intercoastal Shipping Act of 1933.

Mr. BONE. Then, in other words, this is an attempt to amend that act?

Mr. COPELAND. It is.

Mr. BONE. Then if that is the case, it is an attempt to define the power to regulate rates in intercoastal shipping?

Mr. COPELAND. That is correct.

Mr. BONE. The bill is printed in such a way that it is very deceptive.

Mr. CLARK. Mr. President, if the Senator will yield, is it not the purpose of this amendment to give the Maritime Commission power to fix minimum rates in intercoastal trade?

Mr. COPELAND. The Senator from Missouri is correct.

Mr. BONE. Not only minimum rates but any kind of rates:

Whenever the Commission finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by any carrier subject to the provisions of this act is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum or minimum, or maximum and minimum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

As the Senator from Missouri knows, we have lately had before the Interstate Commerce Committee a discussion of the rail problems of the country, which are very intimately tied into and linked up with the shipping problem, because the Pettengill bill involves the repeal of the fourth section of the Interstate Commerce Act. So this measure is going to have a very intimate relationship with that problem, which is now on the lap of the Senate.

I see, now that the Senator calls my attention to the language above, that this section is intended to be an amendment of the Shipping Act of 1933; but, because of the way these bills are drafted, it is sometimes very difficult to tell what the draft is intended to amend.

Mr. COPELAND. I am not going to take any blame for the drafting of the bill, because it was drafted by the Maritime Commission. The members of the Commission are in the galleries. Let them take the responsibility.

The Senator from Nebraska [Mr. BURKE] rose to ask a question sometime ago.

Mr. BURKE. Mr. President, as the Senator has been diverted, I will go ahead with my question.

Have the provisions of title X, as amended, been submitted to the Maritime Commission for their report?

Mr. COPELAND. Yes.

Mr. BURKE. Will the Senator in the course of his remarks give us the benefit of the views of the Maritime Commission on the amendment we are now considering?

Mr. COPELAND. I may say in a very few words that they would rather have the old language.

Mr. BURKE. They would prefer the original language, which has been stricken from the bill?

Mr. COPELAND. Yes.

Mr. BURKE. Do they give their reasons for it?

Mr. COPELAND. As a matter of fact—and the Senator from Utah [Mr. THOMAS] will bear out this statement—the Committee on Education and Labor received from the Maritime Commission at least three, and perhaps half a dozen, possible substitutes for this language; but all of them said they preferred the original language; and I think that is their attitude today. If I had my way that would be my position. I mean to say that I would simply extend the original statute; I still insist that the Board of three men to be appointed by the President, with nothing in the world

to do except to try to make friends between the employers and the employees in the merchant marine, ought in the course of 2 years be able to work out some permanent policy. In the meantime, they have what in the last analysis is just as much power as the Railroad Labor Act would give them.

Mr. BURKE. That suggests the one thing that is troubling me about the matter. I am heartily in favor of this provision so far as it goes, but the Senator says the maritime labor board which is to be set up with nothing else to do ought to make some progress. If we are setting up a separate board, paying the members \$10,000 a year, and charging them with these duties, why should we also leave a part of those functions with the National Labor Relations Board?

Mr. COPELAND. What are we leaving with them?

Mr. BURKE. What is covered by section 1002.

Mr. COPELAND. Will not the Senator read that section? Let us see what it provides.

Mr. BURKE. It certainly does not leave the entire matter of labor relations in the maritime industry to the maritime board that is to be created. Many of these functions are still to be left with the National Labor Relations Board, as I understand.

Mr. COPELAND. The National Labor Relations Board, as I understand, has just one function. I desire to read an article by Walter Lippmann which appeared in the New York Herald Tribune on May 5. Mr. Lippmann in his article said:

SAILING UNDER FALSE COLORS

The basic trouble with the National Labor Relations Board is that it is not a national labor relations board. Until this fact is generally understood and frankly recognized the Wagner Act will continue to be a major cause of antagonism between capital and labor, between employers and the administration.

While it is generally supposed that the Board was set up in order to regulate the relations between employers and workers, in fact the Board has no power to do anything about the promotion of industrial peace. That is still the function of the Department of Labor. The Board has no power to conciliate, to mediate, or to arbitrate; it has no power to deal with working conditions or with wages, with strikes, with lock-outs, with the equity of labor contracts, with their interpretation and enforcement. It is sailing under false colors when it calls itself the National Labor Relations Board. For it is no such thing. It is a special agency designed to enforce the theory that the constitutional right of labor to organize in unions means that all labor in an industry must be represented by the union selected by a majority of the workers.

The authors of the Wagner Act never intended to create an agency which had authority over, or responsibility for, the promotion of industrial peace. Thus if there is a strike or a lock-out in an industry which is already unionized, the dispute cannot be taken to the National Labor Relations Board. The public may think a board with such a beautiful name ought to be able to do something about a great dispute in a unionized industry, but the Board can do nothing.

Once a union is recognized by the employer, the Board has nothing further to say about labor relations in that industry. And if ever all national employers recognized unions, as they do, for example, in England, the Board would for all practicable purposes have no further reasons for its existence. Though there might still be great disputes between unions and employers, though these disputes led to gigantic strikes or lock-outs, the Board in spite of its name could do nothing whatsoever.

I do not think that employers generally understand this. I doubt whether many in Congress understand it. I feel sure that the general public does not understand it.

The Wagner Act was inspired originally by the idea that though workmen have a constitutional right to organize, in fact this right has been nullified in many of the mass-production industries. The right is nullified by espionage which identifies the men who are active in labor unions and by discrimination in hiring and firing which amounts to intimidation. The primary object of the Wagner Act was to create a Federal agency which would protect workers in the exercise of their civil right to organize. If it had been properly named, it would then have been called by some such name as the Board for the Protection of the Civil Rights of Industrial Workers.

This would have been its name if the sponsors of the Wagner Act had followed their first inspiration. But they did not. They soon decided that the constitutional right of a worker to organize meant that he must belong to, or at least be represented by, a union selected by the majority. A minority of workers have no rights that the Wagner Act as now interpreted will protect. Their constitutional freedom of association is treated as a compulsion to follow the union of the majority. So the Board is no longer concerned with the protection of the general civil rights of labor.

It is now a board to foster the organization of unions which shall have exclusive power to speak for the workers in a plant or in an industry. In practice, the Board is a Federal agency for assisting the union organizers of the C. I. O. or of the A. F. of L.

All the criticisms of the National Labor Relations Board are based on the false assumption that it was meant to be an impartial tribunal for the promotion of industrial peace. But there is nothing in the Wagner Act, except the rather disingenuous preamble, and there is nothing in the record of the Board, to sustain this view. The Board is not a tribunal. It is a prosecuting agency. It is not impartial. It is committed to the promotion of a certain type of labor organization. Its purpose is to put the Federal power behind the right of certain types of labor unions to organize the unorganized workers and to exclude all other types of labor unions.

The function of the Board is to prosecute employers who do not deal exclusively either with the C. I. O. or with the A. F. of L. That is the only aspect of national labor relations that the National Labor Relations Board is concerned about.

The Wagner Act being what it is, it is useless to expect or for the Board to pretend that it is a quasi-judicial tribunal. It is not in any sense concerned with the administration of justice in labor relations, with the determination of the respective rights of labor and capital. Its hearings are not to be regarded as lawsuits but as investigations to determine whether the Board has sufficient evidence to prosecute an employer for not dealing with the C. I. O. or the A. F. of L.

The Board is the advocate of a special policy—that every national industry should be organized either in a C. I. O. or an A. F. of L. union—and it has two clients, the C. I. O. and the A. F. of L. The right of the employer or of the independent worker to have a fair hearing is confined to the question of whether he has interfered with the C. I. O. or the A. F. of L. organizers. No other problem of labor relations will be considered by the Board.

If, as seems most desirable, Congress decides to investigate the operations of the Board under the Wagner Act, it should address itself first of all to the task of explaining frankly to Congress and to the country just exactly what the Board can and cannot do. This would raise immediately the question of whether a highly specialized prosecuting agency ought to be called the National Labor Relations Board. There would follow the question of whether a specialized prosecuting agency of this sort, with such a very narrow conception of constitutional rights, is in fact a desirable thing when set up as an independent agency.

This would lead to the broader question of whether the Board ought to be abolished and its function as protector of civil rights given to a bureau in the Department of Justice, or whether its authority should be broadened by converting it into a true labor relations board, protecting employers' rights as well as union rights, and empowered to conciliate, mediate, and even arbitrate in the whole field of national labor disputes.

One thing is certain. As long as the Board pretends to be a labor relations board, when in fact it is a prosecuting agency and promoter of a particular kind of unionism, it will be the cause of endless misunderstanding and confusion. So, if it cannot be reformed, it should at least be forced to sail under its true colors.

This provision in the bill does one thing, and one thing only: It determines the collective bargaining agency.

Mr. BURKE. Why cannot the Maritime Labor Board do that? Why give part of the functions to this new board, and leave part of them with an already existing board? Why not give that function to the new board?

Mr. COPELAND. That could be done.

Mr. BURKE. Would it not be very much better to have it done in that way?

Mr. COPELAND. I am not so sure it would be. The Senator knows that I sympathize with him to a great degree in his attitude toward the Wagner Act; but somebody must determine the bargaining agency, and that seems to be set forth by the Labor Relations Act. Of course, I know there are unions which think that the National Labor Relations Board has no function except to determine that the C. I. O. is the bargaining agency.

Mr. BURKE. The Senator has discussed the National Mediation Board. That Board has the exclusive function of mediation and the recognition of railroad employees, does it not? The National Labor Relations Board has nothing to do with employees in the railroad industry. Why should we not put the maritime industry in the same position? If we are to set up a separate board and call it the Maritime Labor Board, why not charge it with full responsibility all along the line of labor relations, and not leave a part of the responsibility with the National Labor Relations Board, and turn over some of it to this new institution? It seems to me there is a legal defect in the bill in that respect.

Mr. COPELAND. What the Senator says about the power of the National Mediation Board is entirely correct. I have already confessed that if I had my way I would have the same arrangement in this connection. After 15 or 16 years in the Senate I have learned that I rarely have my way, and

the majority in the two committees felt that this was the better plan. I look forward to the time when there will be only one union, and we will not then need any Labor Relations Board.

Mr. President, I think it would be helpful if the able chairman of the Committee on Education and Labor would tell us what he thinks about title X. I wish to pay tribute to the Senator from Utah for the time and patience he has given in this work. I should like very much to have him express his views, and I yield to him for that purpose.

Mr. THOMAS of Utah. Mr. President, I am sure that every Senator has had an experience sometime in his life when he has been invited into someone else's house to help out when a situation was none too good. We all know that under such circumstances it is really better to decline the invitation than to accept it. At the same time, because of a desire to get rime and reason out of our various experimental labor-relation endeavors, the Committee on Education and Labor enter upon a consideration of this matter in an effort to do our part. We have probably learned very much more than we have been able to contribute, but the learning has not been all to the disadvantage of those concerned.

Title X of the bill, as it stands, is no more perfect than any other provision which attempts to bring order out of chaos is perfect. It is more or less of a compromise, because there was not a meeting of the minds of all concerned in the framing of the labor provisions of the bill as it came to the Congress.

The Senate will remember that when it came to the labor provisions the House of Representatives left title X blank, and the committee made no effort to recommend to the House a labor provision in the measure. Probably the merchant marine can get along without any labor provision. Probably that would be the best way to let things go. But no one is willing to agree to that at the present time.

The suggestion made in the beginning, that the labor arrangements be handed over to the National Mediation Board, immediately met with opposition on the part of practically all the labor organizations and other labor interests, and met with opposition on the part of the representatives of the National Labor Relations Board.

It should be remembered, I may say in answer to the question propounded by the Senator from Missouri, that the National Mediation Act came into existence as a result of cooperative work between labor and the railways, and that act had the support of both the employer and the employee. It was the result of voluntary endeavor, a meeting of minds, and compromise reached by both sides.

There is no situation like that at the present time. The suggestion made by the Maritime Commission that the agencies of the National Mediation Board be resorted to was a suggestion which must be termed unilateral in its nature, a suggestion which met with nothing but outright opposition on the part of labor from one end of the country to the other. Therefore, we did not have the stage set for a proper culmination of a labor act in keeping with the circumstances and the various factors we had on the stage at the time the National Mediation Act came into existence.

The objection made by sailors and by representatives of sailors to the use of the agencies of the National Mediation Board was an objection which seemed valid, not only that it would be an act which forced them into a situation into which they did not want to be forced, but the labor provision would be administered by men who had long been engaged in administering the labor relations of our railways. Most sailors and merchant-marine workers pointed out that the labor questions with which men had to deal on ships were quite different from the labor questions with which men had to deal on land.

It is true that some ships which are owned by railroads come under the jurisdiction of the National Mediation Board. It is true that the Mediation Board has extended its jurisdiction to aviation, and it is true that the aviation agencies that have come under the jurisdiction of the National Mediation Board are very happy under that arrangement.

The chairman of the Commerce Committee will remember that in the beginning I made the statement that the measure sent down by the United States Maritime Commission was a forward step for merchant-marine labor. There was nothing in the measure which would put labor back in any way. There was much in it that would be greatly to its advantage. But Senators must remember that in the history of labor development since the establishment of the National Labor Relations Board a number of things have been happening in the way of the evolution of different theories in regard to the handling of labor disputes. The National Labor Relations Act sets out a series of definitions. The National Labor Relations Board attempts to bring about a proper condition for labor bargaining. The collective-bargaining idea is very broad, just as the mediation idea is very broad. No labor organization can reasonably take a stand against either. The labor representatives of the sailors made the mistake of assuming that they did not want mediation. Then they said that they did not want mediation under the present circumstances. Some, when they were not thinking straight, said they did not want mediation at all. But at no time should anyone who knows anything about the history of labor take a stand against the agencies for mediation or the use of mediation for the settlement of disputes.

Under this title there will be set up an organization which will perpetuate the mediation notion, but resort will be made to mediation and to arbitration only when mutuality exists and agreement to arbitrate and to mediate. Forced arbitration, forced mediation, in either case would be contrary not only to the spirit but actually to the letter of the law as laid down in the definitions of what constitutes unfair labor practice in the National Labor Relations Act.

There is nothing of the force element in title X as it is now written. Therefore, the matter of deciding who shall be the bargainers to a dispute, under the arrangement of getting the proper stage set for collective bargaining, is left, and I think very wisely left—and my answer now is to the question put forth by the Senator from Nebraska [Mr. BURKE]—to the National Labor Relations Board, first on the score of experience, and next on the score that surely this agency, which is set up primarily for one purpose, can handle the administration of that purpose better than dual agencies. If we had two agencies doing the same thing, there is no doubt that we would immediately have conflicting jurisdictions. It was for that reason, the Senator will remember, that when the National Labor Relations Act was passed railway labor was left out of it. Railway labor does not use the same agencies for arriving at a collective-bargaining stage that are used by other industries of the country.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BURKE. Is there any real, fundamental reason why the new board proposed to be set up under these provisions, the Maritime Labor Board, which is a board for mediation, could not also handle the other matters in reference to collective bargaining and the matters that under this measure will be left to the National Labor Relations Board? Is there any fundamental conflict between the exercise of those two functions so that they cannot properly be in the same board?

Mr. THOMAS of Utah. No one board could perform all of the functions, even if it were wise enough to perform them.

Mr. BURKE. Then we come to the question: Would it not be wise to repose in this new board all the functions dealing with all phases of labor relations that apply to maritime labor?

Mr. THOMAS of Utah. Definitely no. I ask, Would it be wise to have a board for the automobile industry? Would it be wise to have a board for the steel industry? Would it be wise to have a board for this kind of manufacturing and for that kind of manufacturing?

Mr. BURKE. That comparison is not convincing to me. We do have a board for railway labor.

Mr. THOMAS of Utah. The purpose of that Board is not to set out the manner of reaching collective-bargaining arrangements. The Senator must remember that we are now

dealing with one of the reasons why the original title X was objectionable. It was objectionable in the first place. Because in connection with labor legislation we have moved ahead and beyond it by reason of the definitions laid down in the National Labor Relations Act.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BURKE. All those provisions could be incorporated in this measure, and merely the agency that was to administer them could be changed. They could be administered by the Maritime Labor Board, as well as could the other functions reposed in it by the bill. The Senator, however, does not believe that would be wise?

Mr. THOMAS of Utah. It would be definitely unwise. As I have said, it would be just as unwise as if we were to divide up various industries and provide a board for each industry.

Mr. BURKE. We are proposing to give a board to the maritime industry—the Maritime Labor Board.

Mr. THOMAS of Utah. But it will handle matters which the National Labor Relations Board does not handle.

Mr. BURKE. That is true, but we are not concerned with the same problem that we would be if we were setting up a board for the automobile industry, or for some other industry. No one is considering that. We now have before us a bill which provides for the setting up of a board to deal with one phase of labor relations in a certain industry in which the Government is now going to spend, and increasingly spend, enormous sums of money, and I do not see why it is at all unwise to say to this board, "We will charge you with full responsibility to determine the right unit for bargaining, to go as far as Congress is now willing to permit you to go in the way of mediation, and to do everything else that has to do with the relationship between those who labor in the maritime industry and those who are on the managerial or employing side." It seems to me it would be much better to make such a provision.

Mr. THOMAS of Utah. Of course, it is a matter of opinion. I should not want to dispute further with the Senator with regard to it.

Mr. President, I am sure that the chairman of the Committee on Commerce has explained the various provisions of title X, and I am certain that the report of the chairman covers the historical reasons for bringing in title X as it is now found in the bill.

I think I can conclude with just one more statement. Senators will find, if they will consider the title as a whole, that it brings into existence a constructive act which practically everyone connected with both the employer and the employee in the shipping industry has granted is a forward-looking act and a step in the direction of bettering labor-employer conditions as they exist in the merchant-marine industry. It is with that spirit that I, of course, support title X. It was with that spirit that my committee worked. We assumed that much of the work would be experimental, and that it would be impossible to secure a perfect act. So it should be noted that the measure provides that the board is to be temporary, and two main duties are imposed upon the new board which is to be set up; first to study the problem, and second to administer the act in accordance with its provision, and that within 2 years a plan will be submitted to Congress for a permanent title.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER (Mr. BROWN of Michigan in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. Before the Senator takes his seat I should like to direct his attention to section 1009 (b), on page 53. I should like to ask the Senator's opinion as to whether or not, under that provision, the consent of both parties to a dispute is necessary in order to authorize mediation.

Mr. THOMAS of Utah. Yes. That is the way I understand it.

Mr. CLARK. Does not the Senator believe it would be preferable to allow the board to proceed to offer its services in mediation at the request of either party? In the first place, it seems to me, it is not clear whether or not the consent of both parties is necessary; and if the bill means that the consent of both parties is necessary, it should say so. However, it seems to me it would be preferable to enable the board to act on the application of either party to a dispute. Otherwise either party may absolutely negative any effort at mediation.

Mr. THOMAS of Utah. That is true; but if we take into consideration all the steps which lead up in a practical way to mediation, it will be discovered that the board itself may suggest mediation. Either party may suggest mediation. However, the board may not force mediation, and neither may either party. The minute we bring into the picture the ability to force mediation and force arbitration, we destroy the voluntary theory behind fair labor practice. Moreover, we probably would not have a successful mediation if both parties to the dispute were not willing to leave the matter to a third party.

Mr. BURKE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. THOMAS of Utah. I yield.

Mr. BURKE. As I understand, the new board to be set up, the members of which are to be paid \$10,000 a year, is to have two chief functions: The first is to mediate, providing both parties are willing to mediate. If we did not have that condition, and either side did not want to mediate, then the board would have nothing to do in that respect.

The other function of the board is to study the whole matter, and make a report to Congress on the subject within the time specified. My question has to do with the latter function, with the thought in mind that we may set up a board which will not have anything worth while to do. Does not the Maritime Commission already have full authority to study the whole matter and report to Congress from time to time on the condition of labor in the maritime industry, as well as all other things affecting the industry?

Mr. THOMAS of Utah. I am sure the Senator has not read all of section 1008. I am sure, too, that he has taken too literally my two main subdivisions.

The board would be very busy. As the Senator knows, under the collective-bargaining theory, the collective bargainers get together and draw up contracts. The success of the bargain depends upon the enforcement of the contract. It depends upon the parties living up to the contract. The board will have supervision over all the contracts agreed to between the employers and the employees. The function of the board in that respect will be advisory. The board will be directly in an administrative position to see that fairness is done all around. It will be found that the board will have plenty to do in an administrative way; but the board will become expert on matters of maritime labor, and it is from that expert experience that we expect to develop a permanent agency.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. VANDENBERG. I should like to ask the Senator a question. The Senator uses the expression that the board will have supervision over the contracts. What does the Senator mean by that? Of what does the supervision consist?

Mr. THOMAS of Utah. It may consist of one thing at one time, and another thing at another time. Surely the board would have no supervision in the sense that it could attempt to write a contract, or to do anything of that kind. But the companies and the representatives of labor would be held in duty bound to file with the board every contract entered into. Such contracts would immediately become public documents. Once they become public documents, it is agreed by everyone that there is more likelihood that the contracts will be lived up to if there is a third party, a representative

of the public, supervising the transaction, though "supervising" probably is not the right word. The board would be the custodian of the contracts.

Mr. VANDENBERG. Is not that all? As a matter of fact, the board would have no authority in respect either to making or enforcing a contract, would it?

Mr. THOMAS of Utah. Does the Senator mean such authority as a court would have?

Mr. VANDENBERG. No; I mean any authority whatsoever.

Mr. THOMAS of Utah. The board would have the authority of persuasion. It would have the authority of support by public opinion. It would have the authority of advice. It would have practically all the authority which any advisory administrative group now has. It would have as much authority as the National Labor Relations Board has in the enforcement of a contract.

Mr. VANDENBERG. It would have authority to offer its services to groups which have announced in advance that they do not like the system and do not propose to have anything to do with it if they can help it. I should say the assumption naturally follows that probably the request of the board to be permitted to participate would be refused in nine cases out of ten. I think the Senator from Nebraska [Mr. BURKE] is entirely correct when he indicates that we shall be creating machinery which will be merely machinery and nothing more.

Mr. THOMAS of Utah. I do not know what the Senator means by a group which has no sympathy or does not want this sort of thing.

Mr. VANDENBERG. Are the maritime unions in favor of the title the Senator has presented?

Mr. THOMAS of Utah. The maritime unions have indicated no objection to title X.

Mr. VANDENBERG. I am sorry; that is not the question I asked the Senator. Does the Senator believe that the maritime unions favor title X?

Mr. THOMAS of Utah. I think they do. I cannot speak for them.

Mr. VANDENBERG. Does the Senator from New York agree to that statement?

Mr. COPELAND. I have not been in contact with the unions. I do not know. Their representatives rarely come to see me.

Mr. THOMAS of Utah. I should like to ask the Senator from Michigan what there is in title X to which a maritime union could object.

Mr. VANDENBERG. I did not think there was anything in the proposals which the Maritime Commission brought forward to which a maritime union could object; but we gathered from the testimony presented that the unions were completely and absolutely opposed to the inclusion in the bill of any labor provisions whatsoever. That is my understanding of their position. I may be wrong. I cannot assume to speak for them, and I am not indicating any sympathy with such an attitude; but if what I say be true, then it seems to me the Senator from Nebraska is justified in suggesting that we are merely "shadow boxing" when we create an instrumentality for which there will be no voluntary use.

Mr. THOMAS of Utah. I should not call "shadow boxing" anything which sets up an institution representing the public in America. So far as any Member of this body representing the opinion or the will of either the Commission or the unions is concerned, I can no more speak for the unions than can the Senator from Michigan. I am not interested in that aspect of the matter. However, I am interested in bringing industrial peace to the merchant marine. I am interested in speaking for the public, and providing for the public agencies and instruments which will guarantee industrial peace, or at least give some semblance of a guaranty. I believe title X will accomplish that object.

Mr. VANDENBERG. If the Senator had written into this section something comparable to the provision which the maritime unions themselves are writing into their direct

contracts with their employers at the present time, requiring at least the preliminary submission of maritime disputes to mediation boards—not binding them to the conclusion which the board might reach, but binding them, at least, to the preliminary submission—I should agree that the Senator had made great progress.

It seems to me that inasmuch as the unions themselves are now writing such provisions into their contracts with their employers, we might have been permitted to go at least that far in protecting the rights of the public, for which the Senator speaks, in which view I join him. It is true that such rights in the contracts exist for a period of only 7 days.

Mr. THOMAS of Utah. The Senator has put his finger on a very important question. There is a great difference between the Senator and me agreeing to do something, and our being ordered by a third party to do something. For example, if we should write into the bill, on the part of our Government, the idea of forced mediation, we would destroy the fundamental right of the laboring man.

Mr. VANDENBERG. Has the fundamental right of the laboring man in the railroad unions been destroyed?

Mr. THOMAS of Utah. That agreement was voluntary. It was not forced on the laboring man. The Mediation Act was brought into existence, as was said in the beginning, by a meeting of the minds of railway labor and railway employers. There was no idea of force in it. If there had been a meeting of the minds in connection with a mediation law suggested by the Maritime Commission, we should have had a situation comparable with the one suggested by the Senator; but we have not had such a situation. We are happy that labor and industry are making agreements; and the board to be set up will assist in seeing that those agreements are lived up to, because the agreements themselves become public documents. But they are not forced to enter into those agreements. That is the essence of decent labor relations.

Mr. BURKE. Mr. President, there is one other question I should like to ask the Senator. I call his attention to the proviso on page 47, containing the definition of an employee and reading as follows:

Provided, however, That such term "employee" shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute.

I will stop at that point. If seamen should engage in a mutiny and as a result their work should cease, would they still be employees?

Mr. THOMAS of Utah. When seamen engage in a mutiny they are covered by other law, which is not interfered with at all. Mutiny is an act against the Government of the United States.

Mr. BURKE. If seamen engage in a sit-down strike, as a part of a labor dispute, they would still remain employees under this provision, would they not?

Mr. THOMAS of Utah. Yes; and the reason for that is evident to anyone who understands the subject. This provision is proposed to be placed in the law for the simple reason that when there is a strike, as the right to strike is guaranteed, as the Senator knows, then it is necessary for the Government to protect the striker in all his rights. For instance, if there should be a dispute, and a strike, and the employer should say, "You are no longer an employee, because you have quit your job," this provision would make it impossible for that kind of short-sighted act to be indulged. That is all it does.

Mr. BURKE. Does it not go a little further than that? If a strike is declared, and the employees, as a part of the strike, go far beyond peaceful picketing and engage in the destruction of company property, under the ruling of the National Labor Relations Board, and under the provision proposed to be written into this bill, they still remain employees, with all the rights of employees, do they not?

Mr. THOMAS of Utah. I should not say "with all the rights of employees."

Mr. BURKE. What rights would they lack?

Mr. THOMAS of Utah. They would lack the right of drawing pay, for example, and they would lack a hundred different rights. For instance, if a man is out on strike and suffers an injury he cannot very well claim compensation therefor.

Mr. BURKE. Very well; he does not have all the rights, but he does have the right to go back on his job at any time that he is willing to cease from the practices in which he is engaging and quits the strike, if he wants to go back, even though somebody has been put in his place while he was out on strike engaging in the destruction of company property.

Mr. THOMAS of Utah. Is it not the way in which the National Labor Relations Board Act works out?

Mr. BURKE. It is, and that is one of the chief defects in it. The Supreme Court has not yet passed upon that point, although there is a case now pending before the court, I believe, the Mackay Radio case, in which that very point is involved. So far as I am concerned, I would not now want to write into a law relating to maritime unions a provision which is not clear under the National Labor Relations Act and which certainly ought to be decided adversely to the contention of the National Labor Relations Board.

Mr. THOMAS of Utah. Why not? When the Supreme Court acts, it will be very clear. If the meaning has not been well defined, and the question involved under the National Labor Relations Act also appears here, when the Supreme Court acts we will know what the meaning is.

Mr. BURKE. We may know what the meaning of this provision is without having the court act on it, in view of the way it is worded. It means, as I interpret it, that an employee is free to engage, certainly to participate in his right to strike, and then there are no limitations upon the things that he may do as a striker and still retain his position as an employee. I think that is a fatal defect.

Mr. THOMAS of Utah. I think the Senator is stretching his imagination greatly in assuming such an all-embracing idea.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. THOMAS of Utah. I am glad to yield to the Senator from New York.

Mr. COPELAND. I should like to reply to the Senator from Nebraska. I ask the Senator to examine the provision found at the bottom of page 44, which reads:

Provided, however, That nothing in this title shall constitute a repeal or otherwise affect the enforcement of any of the navigation laws of the United States.

If there occurred upon a ship an act which under the general navigation laws could be considered mutiny, there is nothing in the pending bill that would interfere with the usual practice in such cases. The difficulty with many acts which are complained of upon ships is that, whether through fear of reprisal at home from the owners or fear of what may happen in relation to the crew, the fact remains that many a captain has hesitated to exercise the right of the sea and the right of the law to issue orders. I recall the case of a ship tied up at a dock. The time had arrived for it to cast off and proceed on its way. The engineers turned off the steam and gave every evidence that they did not intend to proceed. That case broke down on trial before the Bureau of Marine Inspection and Navigation because the captain did not order the crew to proceed. He coaxed them and said, "Boys, we ought to be going along," but he did not issue any orders. Had he issued an order, and had the men been guilty of refusing to obey his orders, under the law those men would have been liable for mutiny.

Mr. McKELLAR. Mr. President, may I ask the Senator from Utah a question?

Mr. THOMAS of Utah. Certainly.

Mr. McKELLAR. Did not the Senator's committee formally pass on this provision of the bill in regard to the Maritime Relations Board?

Mr. THOMAS of Utah. It did.

Mr. McKELLAR. Was the committee unanimously in favor of it?

Mr. THOMAS of Utah. No. There was never held a complete meeting of the committee at any time, but a majority were in favor of it. The Senator will remember that we merely acted in an advisory capacity to the Commerce Committee.

Mr. McKELLAR. I understand that.

Mr. THOMAS of Utah. When we finished, we handed the matter over to the Commerce Committee.

Mr. McKELLAR. Does this provision meet the approval of the Senator from Utah?

Mr. THOMAS of Utah. Yes; I think I can answer that question in the affirmative. It is, as I have said, a constructive provision; it is in harmony with our present labor laws; it is in harmony with past practices so far developed, and it does not in any way destroy any of the rights of the laboring man or the employer or the rights of the Government in maintaining safety at sea.

Mr. COPELAND. Mr. President, I am very much obliged to the Senator from Utah. I am sure that he has cleared away—at least I have that hope—any serious objection to this title.

I inquire of the Chair what is the proper procedure? Is the Senate to deal with this title in its entirety, or section by section?

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on agreeing to the last committee amendment, which is a substitute for title X.

Mr. COPELAND. Is that question to be dealt with in its entirety?

The PRESIDING OFFICER. It is.

Mr. COPELAND. I wish to offer, on behalf of the committee, one amendment. I send forward the amendment which has been approved by the Commerce Committee, and I have just submitted it to the Senator from Utah.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 45 it is proposed to strike out lines 5 to 14, inclusive, and in lieu thereof to insert the following:

(a) The term "water-borne commerce" means commerce by water between any State, the District of Columbia, or any Territory or possession of the United States and any foreign country, or commerce by water on the high seas or the Great Lakes between any State, the District of Columbia, or any Territory or possession of the United States and any other State, Territory, or possession of the United States.

Mr. COPELAND. Mr. President, that amendment is simply intended to improve the definition of "water-borne commerce."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. COPELAND. Mr. President, so far as the committee is concerned, there are no other amendments to be offered to title X.

The PRESIDING OFFICER. Without objection the committee amendment, as amended, is agreed to.

Mr. COPELAND. Mr. President, the Senator from Missouri [Mr. CLARK] is present.

The PRESIDING OFFICER. The amendment on page 24, being section 612, was passed over.

Mr. COPELAND. Yes. Does the Senator from Missouri wish to offer an amendment to that section?

Mr. CLARK. I intended to move to reconsider the vote by which the amendment on page 4, being section 4, was agreed to.

Mr. COPELAND. May I ask the Senator first to permit us to take up section 612 on page 24? Has the Senator an amendment he wishes to offer to that section?

Mr. CLARK. No; I have no amendment to offer. I am opposed to the committee amendment. I said almost everything that I desired to say on yesterday, which is that the net effect of this committee amendment is to remove any limitation on governmental lending power to steamship lines.

Possibly I was a little severe yesterday in referring to this amendment as a "raid on the Treasury." Certainly I wish to absolve either the Maritime Commission or the Commerce Committee of any intention to make a raid on the Treasury. But, Mr. President, under the terms of the Merchant Marine Act passed last year, most liberal subsidies are set up both for construction and for operating, with the requirement that a first lien shall be taken by the Maritime Commission for the protection of the interests of the Government; and a limitation is set up in the law as to the amount of construction subsidy or operating subsidy which may be granted. By the terms of this amendment the Maritime Commission is authorized to subordinate the first mortgage which it has on these vessels to another mortgage to be given to the Reconstruction Finance Corporation, another governmental agency, without any limitation whatever; and the net result of that is simply to remove any limitation at all on the amount of Government money which may be loaned to one of these operating companies.

It may be said that the R. F. C. is an entirely different agency from the Maritime Commission; but so far as the hard-pressed and oppressed taxpayers of the United States are concerned, it does not make the faintest difference on earth whether the money comes through the Maritime Commission or through the R. F. C. It comes out of their pockets.

I am familiar with the situation which brought about the proposal for this amendment. I know that there is one particular line on what the Maritime Commission considers an essential trade route which claims that it will not be able to operate unless, in addition to the very liberal operating subsidy which is being given to it under the terms of the present law, it may also reach into the Treasury of the United States to grab out working capital.

Mr. President, I again pose the question—and it seems to me to go to the very merits of this amendment—which I posed so often in the hearings on the original bill and which Chairman Kennedy, of the Maritime Commission, told me he regarded as unanswerable. I am as much opposed to Government ownership and competition with private business as is any man on this floor, but if there be an industry or a service which is deemed by the Congress vital and essential to the safety or well-being of the country, as Congress has determined the merchant marine to be, and if private capital is either unwilling or unable to occupy that field to the extent that the Government must foot the whole of the bill—must pay for the construction of the ships, must pay for operating the ships, and then, on top of that, must advance other loans and subsidies—in other words, if the Government of the United States is supporting the whole of the industry, why should not the Government of the United States own and operate the ships instead of giving the money to somebody else, so that somebody else may take the profit, in case there is a profit, and the Government must foot the loss in case there is a loss?

It cannot be said that the United States is incapable of operating these ships, because in the instance of the ships running to the Panama Canal, operated by the Panama Railroad Co., a 100-percent Government-owned corporation, a notable success has been made in the operation of the ships, and the service compares very favorably with any service between the United States and South or Central America.

So I return to the proposition that there is no excuse on the face of the earth for removing the limitation contained in existing law, as is the effect of section 612, and authorizing these persons to take out of the Treasury of the United States not only their construction costs, not only their operating costs, but working capital as well, thus enabling them to make a profit at the entire expense of the United States.

Mr. COPELAND. Mr. President, for the sake of the RECORD I wish to make a statement about section 612.

This section was proposed at the instance of the Maritime Commission, and was strongly supported by it. It is an addition to law which has been found necessary as the result of experience.

This proposal was worked out by conferences between the Maritime Commission and the Reconstruction Finance Corporation. Mr. Kennedy, Mr. Jones, and others worked together on this matter, and the proposal is agreeable to all governmental agencies concerned.

Under the law the Maritime Commission may lend money only to aid in the construction of a new ship. It may not lend money to a shipping company to keep ships running. It may be vital to our foreign commerce and the development and preservation of the American merchant marine to keep ships running, even though the owner of the ships, because of depression or otherwise, is short of working capital.

The Senator from Missouri spoke of a particular line. I think I know the one he means. There was a rather distressing series of circumstances in connection with that matter. The Senator from Missouri was not present when it was discussed.

This particular line lost a ship. The insurance, as I recall, was \$7,000,000. There was a mortgage on the ship, among other properties of the company, amounting to \$6,000,000. The Maritime Commission, as under the contract it could do, took the entire amount of the insurance, and thereby kept \$1,000,000 which, as I see it, and as I think some of those concerned see it, might have been left in the treasury of the concern to carry on its activities.

In the next place, in the case of that particular line, because of a dispute over the settlement of a mail contract, and the determination of the Maritime Commission to put this arrangement on a better financial foundation, the Commission ended the mail subsidies. They had no subsidy for a period of 6 months, causing a loss to the company, which continued to operate, of about \$3,000,000.

So we have the loss of \$1,000,000 that they might have had from the insurance fund, and the loss of \$3,000,000 from mail subsidies. The result of that situation was so serious that the line had no chance to function and was in desperate danger of being broken up into its component parts and of some of the vessels being taken over by the Government. There was worked out a system by which the Maritime Commission could pay for repairs on the ships to keep them running, and in that way increase the value of the collateral, with some R. F. C. arrangement whereby possibly they may extend some working capital. This plan is wholly with a view to enabling a distressed business concern to go to the R. F. C. for working capital.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Missouri.

Mr. CLARK. The Senator's own statement, as I see it, shows that the Maritime Commission itself, by taking \$1,000,000 of this insurance money, when under the law it had a perfect option to leave it, by its own course of conduct largely created this situation.

I am not criticizing the Maritime Commission, because it may have been entirely right in the matter, and I have great respect for the work the Maritime Commission has done. Nevertheless, the Maritime Commission itself very largely created this situation, and now is using this situation with regard to one line to bring about an amendment of the general law which, in consonance with the R. F. C., absolutely operates to extend the amount of money that the Government may spend on one of these lines.

I am opposed to that. I think it is beating the devil around the stump.

I think it is absolutely defeating the original purpose of the act; and I again come back to the proposition that if we have to pay for all the ships and all their operations, and provide working capital for them and everything else, we might as well own the ships.

Mr. COPELAND. The Senator from Missouri is right in everything except one thing. I think the implication from what he said is that this language is intended to protect the Maritime Commission in this one particular instance.

Mr. CLARK. No; I say that the Maritime Commission is really making this recommendation, and is using the distressed situation of one line—for which situation the Com-

mission itself is largely responsible—to write into the law a provision of general law which in effect drops out any limitation on the amount of money the Government may expend on these lines.

Mr. COPELAND. I think I can answer that statement. By reason of a peculiar situation relating to this particular line, it was possible to work out a plan which I hope will be made effective. It has not been, as I understand. There were peculiar factors which justified the loans for working capital. But that is not the only line. I dislike to say this, but I feel that I must. With the exception of three or four lines, the shipping lines of the United States are just one jump ahead of the sheriff.

I share the view of the Senator from Missouri in my opposition to Government ownership. I do not want it. I think it would be most unfortunate if we had to come to it. But unless these lines can be nursed along we are coming to it so speedily, as it seems to me, that it makes me dizzy.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. Does not the Senator believe that it is preferable, if the Government has to pay the entire bill, that the Government should own the lines? And does not the Senator agree with me that the existing law could not have been passed except for the provision in it that if private capital could not be enlisted, with all the advantages given under the existing law, the Maritime Commission should proceed with Government ownership and operation of the ships? That was the sine qua non without which that bill could not have been passed, and before us is a provision which would have the effect of repealing that provision of the law by creating an unlimited lending agency.

Mr. COPELAND. I will continue my statement. The Maritime Commission cannot lend money to a ship company to keep the ships running. It may well be that such a condition might arise that it would be vital to foreign commerce, in the development and preservation of the American merchant marine, to keep the ships running, even though the owner of the ships, because of the depression, was short of working capital. He would not be the only one short of working capital.

I do not know the experience of other Senators but hardly a day passes but some distressed manufacturer or merchant of my State is in my office urging me to help him make the proper approach to the Reconstruction Finance Corporation in order to get working capital, for working capital means the preservation of the industry, the employment of men.

I have in mind a small city or five or six thousand, where there was one chief industry, which was about to be closed. It had a great line of orders. It had the employees. It had the machinery. It had everything except money enough for the turnover between the manufacturer and the collection of the sale price.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. COPELAND. I yield.

Mr. CLARK. I submit to the Senator in all fairness that the example he uses is not in any way analogous to the situation presented under the pending bill, because in the case of the small industry the Senator mentions, undoubtedly the owner of the small industry had not had the Government give him 75 percent of the cost of his factory and lend him the other 25 percent, and then pay him a very heavy subsidy for the operation of his plant, then have him come back, on top of all that, and ask the Government to subordinate the mortgage which it had taken in consideration of all these great supplies of money, in order to get a lot more money.

Mr. COPELAND. Mr. President, I dislike to continue the discussion, but the Senator has left the story half told. I am sure the fair implication of his statement is that when we pay 25 or 30 percent of the American cost of a vessel we give something to the owner. We do not give him anything. He could go abroad and build that ship at less than half the American cost, in all probability.

Mr. President, I am not merely telling a fairy tale. The Maritime Commission since Christmas time asked for bids on American ships to be built in American yards by American labor. The type of ships submitted for bids was identical with a ship which had just been built in a foreign yard. The varying bids at the shipyards in America ran from twice to three times the cost of the same ship in a foreign yard.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. COPELAND. I yield.

Mr. CLARK. Does not the Senator think it is only fair to say that it was the testimony of the then Chairman of the Maritime Commission, now the Ambassador to Great Britain, supported by the experience and evidence of the Commission—and I understand, incidentally, by later investigations which have been made by the Maritime Commission—that this tremendous discrepancy was in considerable measure due to collusive bidding by American shipbuilders, who are receiving subsidies under the present law?

Mr. COPELAND. I am not sure about the collusive bidding. I do not think I heard any evidence to that effect.

Mr. CLARK. If the Senator will read the record, he will find that Chairman Kennedy, in response to a question which I asked him, stated that as his opinion. I can state further to the Senator that later Mr. Kennedy called me up on the telephone to give me some figures on specific bids on a specific ship, which indicated very clearly that the bidding was collusive, because the figures for a certain portion of the vessel were almost identical. When the Commission asked to have the figures broken down there was no comparability between the bids at all. It simply showed the companies had agreed on a certain figure and could not break it down.

Mr. COPELAND. For the sake of the RECORD, I present a copy of the letter which Mr. Kennedy wrote to the President of the United States on February 17. I think it would be wise to have this information in the RECORD. I do not wish to read all of the letter, it is too long; but perhaps I can pick out a paragraph here and there:

The Commission recently solicited bids for the construction of 12 cargo vessels of the so-called C-2 design. The bids were opened on February 1. They ranged, for the single steam-propelled vessel, on a fixed-price basis, from \$1,856,675 to \$3,400,000.

Just think of the variation in the bids. The bids were on the same set of plans, the same blueprints.

The range for Diesel propulsion was from \$1,902,675 to \$3,593,000. The two lowest bids were submitted by small yards, about whose responsibility there is grave doubt. The lowest bid received from any of the so-called standard yards was \$2,447,589 for a steam vessel, and \$3,593,000 for a Diesel-type vessel.

The letter proceeds:

This is a serious situation. It is obvious that unless shipbuilding costs can be brought down far below those quoted by the larger yards, there will be no American merchant marine worthy of the name. Private industry simply cannot afford to build at these prices, even with Government assistance; few of the lines, moreover, could afford to operate such expensive tonnage.

The Commission's technical data indicate that the C-2 ship should not cost more than \$1,800,000 to \$2,000,000. For that reason, all bids except those received from the two small yards are believed to be excessive.

Mr. President, we have about 1,400 vessels of 2,000 gross tons and more under the American flag. In 1942, 95 percent of those vessels will be past 20 years of age. That is the age which is regarded by the maritime experts as the economic life of a vessel. In 1942, 95 percent of our craft will be antiquated.

At the present time we have under the American flag only 41 ships less than 10 years of age. We have a total tonnage in those ships of 4,700,000 tons, as against 447,000,000 of like ships owned by Great Britain.

I want to make clear, if I can, that unless we encourage the building of American ships to give work in American shipyards, if possible, to American workmen, ships to be

floated under the American flag, manned by American sailors, in 1942 our ships will be so ancient and decrepit that 95 percent of them ought to be put in the scrap heap.

Mr. President, I made reference to a letter written by Mr. Joseph P. Kennedy, then Chairman of the United States Maritime Commission, on February 17, 1938, to the President of the United States. Under the heading:

Current prices seem to be out of line with foreign costs—

Mr. Kennedy said:

Bids received on the C-2 vessel (steam propulsion) average \$2,736,717. The Commission has just been informed by its London office that three vessels of approximately the same characteristics are being constructed in Belfast at a cost of around \$900,000 each. These ships were started sometime ago and would probably run around \$1,100,000 if contracted for today. This is about one-third of the average of bids submitted by the large yards on the C-2—a differential much higher than that which has hitherto prevailed and one which American shipping cannot possibly meet.

Mr. President, I ask that the entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES MARITIME COMMISSION,
Washington, February 17, 1938.

The PRESIDENT,

The White House.

MY DEAR MR. PRESIDENT: The Maritime Commission is greatly concerned over the trend of shipbuilding prices in the United States. I believe that I should tell you that prices now being quoted on Government work threaten to balk our program for the rehabilitation of the American merchant marine.

The Commission recently solicited bids for the construction of 12 cargo vessels of the so-called C-2 design. The bids were opened on February 1. They ranged, for a single steam-propelled vessel, on a fixed-price basis, from \$1,856,675 to \$3,400,000. The range for Diesel propulsion was from \$1,902,675 to \$3,593,000. The two lowest bids were submitted by small yards, about whose responsibility there is grave doubt. The lowest bid received from any of the so-called standard yards was \$2,447,589 for a steam vessel, and \$3,593,000 for a Diesel-type vessel.

This is a serious situation. It is obvious that unless shipbuilding costs can be brought down far below those quoted by the larger yards there will be no American merchant marine worthy of the name. Private industry simply cannot afford to build at these prices, even with Government assistance; few of the lines, moreover, could afford to operate such expensive tonnage.

The Commission's technical data indicate that the C-2 ship should not cost more than \$1,800,000 to \$2,000,000. For that reason all bids except those received from the two small yards are believed to be excessive. Reasons for this belief follow:

(1) There is an extremely wide variation in bids: There is a tremendous spread between prices quoted by the two low bidders and those submitted by the other six yards. There are also puzzling discrepancies between bids of the standard yards. The high bid on a steam-propelled vessel, for all yards, is nearly twice that of the lowest bid. The high Diesel bid is 68 percent greater than the low bid.

(2) The bids show many peculiarities: Bids were asked for a minimum of one vessel and a maximum of four, on both a fixed- and adjusted-price basis. Two of the yards bid on one and two vessels; two did not submit adjusted-price bids; one yard submitted lower fixed- than adjusted-price bids, a reversal of the method employed by the other yards.

Only one of the larger yards bid on the Diesel-type vessel. This yard does not make Diesel engines. Another yard, meanwhile, which manufactures and specializes in Diesels, did not bid on this type of installation.

A further peculiarity of the situation with regard to the C-2 vessel is the fact that two large American yards did not submit bids at all. These yards are understood to have prepared estimates and were confidently expected to participate in the bidding.

(3) The C-2 bids represent drastic increases over prices recently quoted on other construction: Bids were opened in December on 12 oil tankers to be constructed for a private company, with the Government paying for national-defense features. Bids were requested for a 12½-knot and a 16½-knot vessel. Bids submitted by the larger yards on the C-2 ships, on a built-ton basis, are far above those quoted for the slow tanker and somewhat higher than those quoted on the fast tanker. C-2 costs, it is believed, should not greatly exceed those of the slow tanker. They should certainly be less than those of the fast tanker.

A comparison of C-2 bids with the tanker bids follows. These comparisons are based on cost per built ton; that is, the cost for each ton built into the ship. For vessels of dissimilar design this is considered to be one of the best methods of making cost comparisons.

Cost per built ton

Shipyards	12½-knot tanker	16½-knot tanker	C-2 tur- bine	C-2 Die- sel
Sun	407	444	509	
Bethlehem-Fore River	450	483	584	655
Bethlehem-Union			621	694
Newport News	422	477	493	
Federal	419	460		
New York Shipbuilding	471	540		
United			630	
Hess			396	403
Tampa			380	394
General Engineering			580	608

(4) The C-2 bids are higher, on both a deadweight and built-ton basis, than the cost of class A vessels built during the World War period. Prices quoted on the present vessels range from \$380 to \$630 per built ton for steam vessels and from \$394 to \$694 per built ton for Diesel ships. The average price of the type A vessels built at Hog Island was \$445 per built ton. It is recognized that the C-2 contains many improvements not found in the Hog Island vessels. Nevertheless, a comparison of the two types, especially when made on a built-ton basis, clearly indicates that the C-2 prices are out of line in relation to those prevailing during the war program.

It is extremely difficult to explain this situation. All available indices seem to show that the cost of materials entering into ship construction are much lower today than they were during the period when the Hog Island vessels were built and that labor costs, even though higher on an hourly basis, are probably no more if overtime and other factors are taken into consideration. Even if wages today were double those of the war era, they still would not account for present prices, as only 30 to 40 percent of the cost of a ship is spent in the yard.

(5) Current prices seem to be out of line with foreign costs. Bids received on the C-2 vessel (steam propulsion) average \$2,736,717. The Commission has just been informed by its London office that three vessels of approximately the same characteristics are being constructed in Belfast at a cost of around \$900,000 each. These ships were started some time ago and would probably run around \$1,100,000 if contracted for today. This is about one-third of the average of bids submitted by the large yards on the C-2—a differential much higher than that which has hitherto prevailed and one which American shipping cannot possibly meet.

A comparison between the trend of shipbuilding prices in Great Britain since the war and in the United States is of interest in view of the present differential. The cost of cargo vessels in Britain today is about two and one-third times the pre-war figure. Bids submitted by the larger yards on the C-2 ship are approximately four times those prevailing in the United States in 1913.

The Government has several courses in the present dilemma.

One is to pay the prices asked by the larger yards. That, I believe, would be a mistake. A merchant marine built at such prices as those quoted on the C-2 vessel would collapse of its own weight.

Another course would be to build in the navy yards. This probably will not prove to be practicable. The navy yards are organized for naval work and would find it uneconomical to work on merchant vessels, especially the smaller types. These yards, moreover, are needed for naval work.

A third course open to the Government would be the rehabilitation of private facilities. It might even be necessary to establish new yards, although this would involve the danger of overexpansion.

A fourth course would be to permit American operators to build abroad. The Commission has already proposed that certain subsidized construction be given to foreign yards whenever American prices are more than twice those available abroad.

The Commission, as a last resort, could ask authority to build ships itself.

I have described this situation rather bluntly, Mr. President, in order that you might understand the gravity of the problem with which we are confronted. The United States is faced today with the necessity of making large-scale replacements. There is little likelihood of getting these replacements unless shipbuilding prices can be reduced far below those quoted in the C-2 bids.

Sincerely yours,

JOSEPH P. KENNEDY, *Chairman.*

Mr. COPELAND. Mr. President, here are the bids in the American yards of \$2,735,000 each, and identical ships, three of them, being built in Belfast for \$900,000 each. Why should an American corporation desiring to ply the seas build ships here at two or three times the cost for which they could be built abroad, when the same corporation could go abroad, build the ships at one-half or one-third of the price charged in this country, and operate it under another flag at a cost

far less than here, where we intend to maintain the American standard?

The point I am making is an attempt to reply to the Senator from Missouri who spoke of the construction differential as if it were a gift. It is not a gift. It still continues to be a loan. It does not go into the pocket of the ship operator or the shipowner. It is intended to make possible the building of ships in American yards by American workmen from American materials furnished by American factories.

So, Mr. President, up to this point we have not been very generous to the American shipowner. There has been a decline in the activity of shipping all over the world. Under these circumstances, particularly when we learn that 1,000,000 days of man-labor were lost last year on account of strikes, with ships tied up at the docks and unable to pursue their work, it is no wonder the owners exhausted their working capital. I shall be surprised if we do not find 75 percent of them in the same need of relief that businessmen and manufacturers have found themselves in during the past several years.

As I said, the Maritime Commission is helpless.

It cannot grant subsidies to pay losses or deficits, even when such condition is temporary. Under our administrative system the Reconstruction Finance Corporation has been created to keep business going where otherwise it might cease operations or go into receivership or bankruptcy. Making the advances of the Reconstruction Finance Corporation a first lien on a vessel is doing nothing more in reality than what a court does when it issues receivers' certificates to keep a concern afloat—so that it may carry on. The receivers' certificates take precedence over other claims. The proposed section is based on sound business practice. The record of the Reconstruction Finance Corporation discloses that it can be counted on not to make excessive or unwise loans. It does not diminish or impair the rights of the United States in the property. The advances by the Reconstruction Finance Corporation may be necessary to preserve or protect the money the United States has already loaned. Unless this authorization is given, vitally important trade routes served by American vessels may be discontinued and the purposes of the Merchant Marine Act defeated.

Mr. President, I have this suggestion to make the Senator from Missouri. I wish to make it clear that we are not going to enlarge upon this subsidy by indirection. I suggest to him that on page 24, line 15, after the word "loan" there be inserted the words "for working capital." Then there can be no question that the only advance that can be made to the shipowner by the R. F. C. is for working capital, as would be the case with any other business concern.

Mr. CLARK. Mr. President, I am entirely agreeable to the amendment, but I do not think that such an insertion by any manner or means cures the vice of the amendment. I certainly would be glad to see the chairman offer that amendment, because it may vaguely put a limitation on the extent to which the loan may be increased, but only in the discretion of the R. F. C. That does not answer in any degree the question of subordinating the lien of the Maritime Commission to an additional lien by any other governmental agency.

Mr. BAILEY. Mr. President, this matter is one of the very greatest importance to our country. I am rather surprised that so few Members are present to consider the extraordinary character and value of this legislation. We are going to decide in this and kindred legislation whether or not we are to have a merchant marine in the United States. We are going to decide whether or not we think a merchant marine is worth having. It is not a question of subsidies. It is not a question of favors. It is a question of whether the Congress should bring about a situation which

will enable this country to have the benefits in peace and the necessities in war of an adequate merchant marine. We do not have one now, and such as we do have is in a decline.

Unless we do more than we have been doing we may as well confront the fact that we will build our Navy as we propose to build it, and then we will not have it supplied with the auxiliaries necessary to make it efficient.

Last week we authorized to be appropriated between a billion dollars and a billion and a half dollars to build up the Navy in respect to cruisers, airplane carriers, and battleships. But of what value will those cruisers and battleships and other warships be if there is not an adequate merchant marine to assist them? They could not carry supplies. They could not carry troops; and they would be perfectly useless.

I do not think it is necessary to enter into an argument to show that a merchant marine is indispensable to the efficiency of the Navy. There is no sense in having a big navy and not having a big merchant marine.

The proposed legislation comes to us, Mr. President, not from the Committee on Commerce. It comes by way of the Committee on Commerce, after very careful consideration and hearings. It comes with the approval of the Committee on Commerce, but it also comes from the Maritime Commission of the United States, whose existence was authorized by the Congress, and whose members were appointed by the President and confirmed by the Senate.

The Maritime Commission consists of very excellent men. Two of them, Admiral Wiley and Admiral Land, are notable former naval officers. The third is Mr. Kennedy, a very excellent businessman, who is now our Ambassador to the Court of St. James. Last year we had before us proposed legislation put forward by the Maritime Commission after consideration. The legislation was thoroughly prepared by the Commission, in the light of the experience of our Government in trying to build up a merchant marine from the days of the old Shipping Board and prior thereto. The legislation was founded upon our experience in the World War. When we entered that war we found we did not have an adequate merchant marine, and we expended \$3,800,000,000 during that war trying to get an adequate merchant marine; but we could not do it as quickly as we wished. Many of the ships were failures, and are now old hulks, lying on the shoals in various rivers and sounds.

So the proposed legislation comes here, Mr. President, from the very highest authority of which we can conceive. I know of no better men than the men who constitute the Maritime Commission. Two of them are former naval officers and the other is a very able businessman. Yet, when we come to pass the legislation we run into all sorts of criticisms.

I would not charge my honored friend the Senator from Missouri [Mr. CLARK] with anything like obstruction. I would not say that he was not in favor of a merchant marine. I believe he is in favor of a merchant marine. I would not hear his worst enemy say that he was not in favor of a merchant marine. However, I say that if we are to have a merchant marine, we must have legislation such as the bill before us, and we must put aside the spirit of criticism.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. VANDENBERG. I should like to ask the Senator a question. Does he think the bill before us will produce an adequate merchant marine?

Mr. BAILEY. I really do not know. However, to answer the question, the assurance that we have done something looking in that direction will certainly give me some satisfaction.

The Senator raises a question.

The question is, Is it possible for the United States Government to have a merchant marine? I do not know. However, I say that if it is possible it is the duty of the Congress

of the United States to do whatever is necessary to bring about the conditions of the possibility and therefore to arrive at the consummation.

Mr. VANDENBERG. I merely observe, in connection with my original inquiry to the Senator, that I do not think we have even approximated an approach to the creation of a realistic merchant marine in the proposed legislation, or anything which has preceded it, because, so long as the cost of producing ships is so infinitely larger in America—and the differential will be greater rather than less as the years go by—and so long as the costs of operation under the American flag are so infinitely greater than the costs under any other flag, which differential also will increase—it is impossible to produce the result the Senator is talking about without a stupendous program comparable in expenditure to that which goes into the Navy itself; and until we frankly face the situation realistically, in my judgment we are just "shadow boxing" with our problem.

Mr. BAILEY. What the Senator says may be so. I do not profess to be sufficiently expert in these matters to be able to say whether or not the bill is a mere "shadow boxing" affair. However, I am sufficiently versed to say that the bill was prepared under the supervision of and in response to the recommendations of men far more competent than myself, and perhaps more competent than any other Senator.

If the Senator from Michigan is not satisfied with the bill and is still satisfied that it is possible to have an American merchant marine by virtue of some public policy authorized by the Congress, then I say to him that if he will present such a bill I shall be very glad to espouse it on the floor of the Senate, because I am certain of one thing, and that is that we must have a merchant marine in the United States. If we are to have either proper shipping in peace or a sufficient defense in time of war, a merchant marine is an absolute necessity.

Let us imagine ourselves taking the view that it is impossible to have a merchant marine, and therefore we will do nothing. Let us see where we would land. If that is the case, why build a navy? There is not a naval expert or an admiral on earth who will not say that this Nation's Navy would be practically useless without a merchant marine.

It may be impossible for us to have a merchant marine. If it is impossible, then let us stop spending money on the Naval Academy at Annapolis, and stop spending money on battleships. Let us get out of the business. We can defend the country. We can build fortresses. We can map the shores. We can retreat behind our fortifications and take our chances.

Nobody in the United States is willing to pursue that course. Such a theory is utterly contradicted by what we did last week. I did not vote for the bill, but why did the Senate vote for \$1,200,000,000 or \$1,300,000,000 for new battleships, cruisers, torpedo boats, and the like, if it was not understood that a navy is indispensable to the defense of the United States? Such was the whole theory of our action. It was on that basis that the President recommended the naval expansion. It was on that basis that Senators argued for it, and voted for it.

I say that the Navy is worthless in time of war without a merchant marine; and no one will contradict that statement. How are we to carry our supplies? How are we to carry troops? How are we to maintain our communications?

I should not like to take the view, Mr. President, that the merchant marine is impossible, but I wish to argue directly to the point of view taken by the Senator from Michigan.

If it is difficult, perhaps impossible, to have a merchant marine in America, it is difficult or impossible by reason of the public policy authorized by the Congress. Let me repeat. If it is difficult, or if it is impossible, as the Senator from Michigan intimates, for us under any circumstances to have a merchant marine, that impossibility or that difficulty,

as the case may be, is due to the public policy of our country, as authorized by the Congress, of which we are Members. That being so, it is our duty, in response to our obligation of national defense, adequately to provide means to get around the impossibility, or, if it is not impossible, to overcome the difficulty.

What is our trouble? I shall not complain. We raised the pay of seamen in America. Let it go. I am not against good wages. We have raised the cost of building ships in America. Let it go. I am not complaining. If it costs twice as much to build a merchant marine in America as it does in England, or two and a half or three times as much to build one in the United States as it does in Japan, it is because this country has pursued the policy of sustaining the highest possible standard of living. I am not complaining about it, but that is our policy.

To be sure, we do not intend to maintain a high standard of living in America at the expense of the national defense. A merchant marine is indispensable to the national defense. That necessity is the origin of the subsidy idea.

I am against subsidies. Everybody is against subsidies. They have a bad name in America. But everybody who can gets one. We all despise subsidies. We throw up our hands, and we are all too holy to be in favor of them; but I have not known of anybody in America who could lay his hands on one who did not get it. Let us tell the truth. We all know that the farmers are getting a subsidy of \$500,000,000. What else can it be called? We may call it rental payments, benefit payments, crop-compensatory payments, or a farmers' tariff, but it is a hand-out from the Federal Treasury, in consideration for work which a man does as a farmer. That is the benefit. That is the subsidy.

Every little town and city in the United States and every big town and city is getting a subsidy from the Federal Treasury. The New York newspapers of yesterday show that the city of New York alone has already built up a raid on the Treasury of \$298,000,000 on the mere prospect that we are to pass a P. W. A. bill—not a W. P. A. bill, but a P. W. A. bill. It is a subsidy of \$298,000,000; that is what it is. We provide subsidies to erect public buildings and schoolhouses and all manner of construction of that sort in New York and for New York. Such matters are no obligation of the Federal Government in any real sense. The obligation of the Federal Government is to take care of people who are helpless or who are unemployed, and even that is not primary, for the primary obligation is on the States. Yet New York comes down to the Congress and asks for great sums. I am not indicting New York; I will indict my city of Raleigh just as freely, for its citizens will take everything they can get from the Federal Treasury. They will want a public building. I understand there is a bill coming over from the other House which is going to provide one public building for every congressional district in the United States. Every community wants a schoolhouse; some communities want a courthouse; some want sewers; some want a community house—all of which take money out of the Federal Treasury. Very little of it is for national defense. To give away millions is all right; but when we come to consider a simple act of Congress that will allow the Maritime Commission to make loans in the interest of national defense, that is terrible. That is the situation.

I base the pending proposal on the national defense. I have not the remotest interest in any shipping company. If I thought it were a mere matter of helping some shipping company, I would not vote for the bill under any circumstances. I am thinking about a merchant marine that will be of value to the Navy of the United States in the event of war, and without which, in the event of war, the Navy would be without any real value.

Mr. President, we come down just to that point. We can say that a merchant marine is impossible, and, therefore, we will do nothing. If we are going to carry that through, I say all right, let us quit all expenditures for the Navy;

let us repeal the appropriation of \$546,000,000 we made in the month of March. The Navy without a merchant marine is helpless so far as war is concerned, and that is all the Navy is for. If a merchant marine is impossible, let us rescind the legislation of last week appropriating something like a billion dollars or perhaps a billion and a half dollars to enlarge the Navy. But if it is possible, by way of loans, by way of contributions, to offset the inequalities imposed upon our shipping by our own public policy, then let us do it. The pending bill is very conservative. It even provides that if any of the shipping companies receiving the benefit of the differential make as much as 10 percent in the 10-year period they shall refund 5 percent of it; they shall pay that back to the Maritime Commission. There is not a chance for anybody to impose upon the Government under a provision of that kind.

Now I come to the simple matter of the amendment which is being discussed. The amendment provides in rather simple terms:

The Commission is authorized to subordinate its interest as mortgagee in any vessel subsidized under the provisions of this title in favor of any loan made by the Reconstruction Finance Corporation under the Reconstruction Act, as amended, if the commission finds that the making of such loan by the Reconstruction Finance Corporation would be in furtherance of the policies of this act or would, in its opinion, preserve or protect its mortgage interest in said subsidized vessel.

I call the attention of the Senate to the limitation. It is not an unlimited power to loan money; it is authority "to subordinate its interest as mortgagee" in favor of a loan from the Reconstruction Finance Corporation only "if the Commission finds that the making of such loan by the Reconstruction Finance Corporation would be in furtherance of the policies of this act, or would, in its opinion, preserve and protect its mortgage interest." I should say that was a matter of plain ordinary common sense. A lending agency of the Government ought always to be in position to subordinate its mortgage if the subordination of the mortgage will enable it to protect the mortgage. Such a practice prevails all over the country in almost every branch of activity by everyone who lends money, and always has prevailed. It was stated a few moments ago, I believe by the Senator from New York, that it was analogous to the issuing of receivers' certificates in a receivership, which certificates take precedence over the mortgage security. Why are such certificates issued? They are issued in order to keep the concern going, with a view to getting it on its feet and paying off the mortgage. No court of equity would authorize the issuing of certificates except with a view to protecting the original mortgagee. That is the whole theory, and that is the theory underlying this bill. It goes a little further and provides that its mortgage interest may be subordinated by the Commission if such action would be "in furtherance of the policies of this act." Well, what are "the policies of the act"? The building up of the merchant marine and the saving of it.

So what do we come down to? The objection here is to an amendment which will authorize the Maritime Commission to subordinate a mortgage which it has on ships under its supervision for a loan from the R. F. C. so as to further the purposes of the act, which are to build up the merchant marine and to protect its own security. What is bad about that? What is so terrible about that? Mr. President, that sort of practice has been followed ever since men began to loan money.

There is another argument for this amendment. What is it? All this money comes from the same source. The R. F. C. is Uncle Sam; the Maritime Commission is Uncle Sam; neither of them gets a dollar except from the Treasury. If we simply subordinate one Government activity for another, Uncle Sam cannot lose. The subordination of the mortgage of the Maritime Commission enables it to get money from the R. F. C., and, if there is any loss, the loss is paid from the same source. There is another equitable consideration. It is simply protecting the R. F. C. with

respect to loans which are in contemplation to be temporary; that is all.

The Senator from New York consented to the use of the words "working capital" instead of "capital." That may make it a little clearer, but the proposition as it is, is a perfectly simple one in common sense. The Maritime Commission has loaned money on a ship; it has a mortgage but the concern is not going. The Maritime Commission is not in a position to put up any more money. It goes to the R. F. C. to get the money and subordinates its mortgage in order to get the money. The Maritime Commission is the beneficiary, and the national defense is also, of course. That can be the only excuse for lending the money.

Mr. President, I make no claims of perfection for this proposed legislation; I do not say that it is even possible for us ever to build up a merchant marine; but granting that the proposed legislation is not the ultimate legislation, granting that we may be dealing with an impossibility, I am saying that we have recommendation for this proposed legislation from the highest authorities with whom we can deal, the Maritime Commission, from men who have studied the whole subject, two of whom certainly are experts in naval construction. I am not prepared to criticize such proposed legislation. But, on the other hand, since I have no other alternative, I am unwilling to take the argument of impossibility; I am unwilling to refuse to make an effort to meet the demands of the situation.

So, Mr. President, I hope that the pending bill will pass. Heaven knows I have not the slightest interest in having it passed for the sake of building a ship for anybody on earth except the Government of the United States.

Now let me proceed along that line. We can make the choice; we can break down the merchant marine; we can starve the merchant marine to death; but the moment we realize what we have done we will have to appropriate about \$5,000,000,000 from the Treasury in order to build a merchant marine, and then we will have to operate it under Government ownership, which God forbid. That is the situation. Go back over the track and take the national defense bill of last week, carrying a billion five hundred million dollars and double it, supplement it with a merchant marine bill; either do that or pass the pending measure.

Mr. President, I have said about all I wish to say concerning this matter. I feel very earnestly about it. I see a picture, I will say to the Senator from Michigan, which I think will interest him. The picture we have here at this moment is the picture of every business in America under unfavorable public policy. Let the Government so deal with shipping that the possibility of a private merchant marine is destroyed; let the Government so deal with the railroads, that the possibility of a private system of railroads is destroyed; let the Government so deal with utilities that the possibility of a private system of utilities is destroyed; let the Government so deal with business interests and commerce in the same way, that the possibility of business development is destroyed. Then, when legislation is brought in here an effort is made to fix things so that they cannot build and cannot borrow, for no banker would dare put out his money and no man would dare buy their bonds; no man would invest in their stock. We bring them to their knees, and they come to the Congress on their knees and ask for leave to subordinate a mortgage, and we shout "subsidy" at them, and say "no." They come here to get money from the Government, and the Government says, "I have fixed things so that you cannot get money anywhere else, and I will not let you get it here." Very well, that is the road to collectivism. I am not afraid of the "reds." I could put my arms around a man who would stand up and tell me he was a "red." I am afraid of the people who are undermining our whole civilization and calling themselves Democrats, calling themselves Americans.

Here is the picture: Here is the first wreck, the merchant marine. Yonder are the railroads, coming down in the wake. That is the second wreck. I see the utilities coming the same way. Here are three, and they are three great

ones. Then let businesses follow in their train. They cannot get any money from the banks, and then the banks are blamed.

If I were a banker, I would not lend money to an institution in which anybody could sit down and take possession, and not work and not let me work. I would not do it. Bankers are supposed to take care of the funds of their depositors. If I were a banker, I would not lend money to a business which is under political attack day in and day out, and public policy is all against it instead of for it.

There is the situation. There can be but one culmination. When they go down what will be the fate of a Government which already owes \$37,100,000,000, and which in 1939 will owe \$4,000,000,000 more, \$43,000,000,000? We are spending \$800,000 an hour. That is what we are doing. We are spending it. No money can be paid out of the Treasury except by the act of the Congress. Do not put the fault down yonder. The fault is right here. We will all go down together.

On the other hand, here is a good chance. Here is this bill. It does not favor anybody. It does not let anybody make any money. It does provide funds whereby men who build ships to be used by our country in time of war, carry our commerce in time of peace, and keep the freights at home, may borrow money under a public policy which has made it utterly impossible for them to borrow it privately. It is our obligation. It does provide for further loans from the R. F. C. by way of preference over the mortgage to the Maritime Commission in order to carry on the business until it can be profitable.

It attempts further to bring about some sort of order in the present miserable labor situation.

We undertake to confer upon the Commission the powers of a board of mediation as between the operators of the ship and the seamen. Some objection is made to that. Very well; make all the objections you please; but we must have order in shipping in America in order to have ships. We may as well speak plainly. I am not afraid to travel on American ships, but I know persons who are. I heard the testimony given before the committee, and the Senator from New York [Mr. COPELAND] heard it, too. We must have some way of bringing about peace there. I want the ship people to have power to employ the men who apply, and not make it necessary for all of them to go through some sort of organization to get a job. I call that coercion, Mr. President. If I am compelled to join a union in order to make a living, that is coercion. Put that under your public policy. The bill provides that those men may come in and be employed; and when they are employed, if there is any difficulty, there may be mediation, and mediation by these experts, men who have conducted the Navy, men who have run ships.

I hope this measure will bring about some order in the merchant marine. I say that if some order is not brought about there, it is useless to lend the ship operators any money. They cannot keep on as they are going. We cannot have talk of sabotage; we cannot have Socialists riding across the sea on an American ship and writing back what a delightful thing it was to ride on a ship that was run by the crew instead of by the captain. I myself heard the letter read before the committee. Ships have to be run by captains.

So, Mr. President, I beg for the serious consideration of the proposed legislation. I do it, not in the name of any shipping company, but in the name of the national defense of the United States. I commend the proposed legislation, not because of anything I know about it, but because of everything I know about Admiral Land and Admiral Wiley. No man ever came in contact with those men without realizing first that they are patriotic, second that they are honest, and third that they are efficient.

So I ask that the bill be passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House

had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2904) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899.

The message also announced that the House had insisted upon its amendment to the bill (S. 3691) to provide for the appointment of additional judges for certain United States district courts, circuit courts of appeals, and certain courts of the United States for the District of Columbia, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10238) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. TARVER, Mr. UMSTEAD, Mr. LAMBERTSON, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

INSURANCE FOR TAXICABS IN THE DISTRICT—APPOINTMENT OF CONFEREES

The PRESIDING OFFICER (Mr. TRUMAN in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes, further insisting upon its disagreement to the amendments of the Senate to the said bill, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TYDINGS. I move that the Senate further insist upon its amendments, agree to the request of the House for a further conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. HITCHCOCK, and Mr. BRIDGES conferees on the part of the Senate.

THE MERCHANT MARINE

The Senate resumed the consideration of the bill (S. 3078) to amend the Merchant Marine Act 1936 and for other purposes.

Mr. COPELAND. Mr. President, I move that the pending section be perfected by inserting, in line 15, page 24, after the word "loan", the words "for working capital."

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from New York to the amendment reported by the committee is agreed to.

The question is on agreeing to the amendment reported by the committee, as amended.

Mr. MCKELLAR. Mr. President, before action is taken on the amendment as amended, I suggest that the Senator from Missouri [Mr. CLARK] is not on the floor. This is his amendment. I have sent for him. If he is not here in just a moment, I shall ask for a quorum.

Mr. COPELAND. We will hold the matter in abeyance until he comes.

While we are waiting for the Senator from Missouri, let me ask the Senator from Tennessee a question. The Senator from Tennessee is interested in the provision of the bill on page 17.

Mr. MCKELLAR. Yes; I have an amendment to that provision, but I think the other matter should be disposed of first.

Mr. COPELAND. The Senator from Missouri will return in a moment. If not, we will call for a quorum.

Mr. MCKELLAR. Mr. President, while we are waiting for the Senator from Missouri, I will state the nature of the amendment which I propose.

On page 17, line 21, after the word "hereby", I move to strike out all the rest of that page and the first five lines of page 18, and to insert in lieu thereof the word "repealed."

I send the amendment to the desk so that the clerk may have it when it is in order. It is not yet in order. However, I ask that the clerk may read it for the information of the Senate.

The PRESIDING OFFICER. The amendment to be offered by the Senator from Tennessee will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 17, line 21, after the word "hereby", it is proposed to strike out the remainder of line 21 and all of lines 22 to 25, inclusive, on page 17, and lines 1 to 5, inclusive, on page 18, and in lieu thereof to insert the word "repealed".

Mr. COPELAND. Where is the word "repealed" inserted? Mr. MCKELLAR. It is inserted immediately after the word "hereby" in line 21 of page 17. In other words, the effect of this amendment, if agreed to, would be to repeal section 604 of the Merchant Marine Act of 1936.

That section provides as follows:

If in the case of any particular foreign-trade route the Commission finds, after consultation with the Secretary of State—

Not after the approval of the Secretary of State; not after anything else except consultation with the Secretary of State who may be utterly opposed to it, but that would not make any difference; if the Commission finds, after it consults with him—

that the subsidy provided for in this title is in any respect inadequate to offset the effect of governmental aid paid to foreign competitors, it may grant such additional subsidy as it determines to be necessary for that purpose: *Provided*, That no such additional subsidy shall be granted except upon an affirmative vote of four of the members of the Commission.

Mr. President, the only change made by this amendment is that under the present law the additional subsidy may be granted by the vote of all five members of the Commission, while this provision will reduce it to the vote of four members of the Commission.

Mr. CLARK entered the Chamber.

Mr. MCKELLAR. The Senator from Missouri has appeared now; and I will suspend my remarks until the amendment of the Senator can be voted on.

Mr. CLARK. Mr. President, I was opposing the committee amendment on page 24. Before the vote is taken on it, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	O'Mahoney
Andrews	Davis	King	Overton
Ashurst	Dieterich	La Follette	Pittman
Austin	Donahey	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Loneragan	Schwartz
Bilbo	George	Lundeen	Schwellenbach
Bone	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Brown, Mich.	Gillette	McGill	Thomas, Okla.
Brown, N. H.	Glass	MCKellar	Thomas, Utah
Bulow	Hale	McNary	Townsend
Burke	Harrison	Maloney	Truman
Byrd	Hatch	Miller	Tydings
Byrnes	Hayden	Milton	Vandenberg
Capper	Herring	Minton	Van Nuys
Caraway	Hill	Murray	Walsh
Chavez	Hitchcock	Neely	White
Clark	Holt	Norris	
Connally	Johnson, Calif.	Nye	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. CLARK. Mr. President, I do not desire to detain the Senate by repeating the argument I made yesterday and

repeated again today; but in view of the speech of the very eminent Senator from North Carolina [Mr. BAILEY], I merely desire to call attention to the one essential fact in connection with the committee amendment now pending—that it would in effect result in suspending any limitation on what might be called loans and grants for the operation of steamship companies. In other words, having granted a very liberal subsidy, having added to that a subsidy designed to completely take care of the operating differentials and the operation costs of steamship companies, with a provision, however, in existing law that that shall be accompanied by a first lien to the Government on the property of the steamship company, it is now proposed to have the Maritime Commission take a secondary lien, and give a first lien to the Reconstruction Finance Corporation for absolutely unlimited loans, which can only result in absolute abrogation of any limitation contained in existing law.

Mr. BAILEY. Mr. President, will the Senator from Missouri yield?

Mr. CLARK. I am glad to yield to the Senator.

Mr. BAILEY. I call the Senator's attention to the limitation in the act, with which I take it he is familiar:

If the Commission finds that the making of such loan by the Reconstruction Finance Corporation would be in furtherance of the policies of this act or would, in its opinion, preserve or protect its mortgage interest—

And so forth. That is a limitation.

Mr. CLARK. Of course, I am entirely familiar with that. That is a limitation in the discretion of two commissioners. That is not a laying down by Congress of a limitation, not a limitation of such and such a percentage on the value or a differential or anything else, but it is a declaration to the Maritime Commission, "Whenever you want to grant additional assistance, whenever you want to pay out more money of the taxpayers of the United States to a steamship company, simply slip around to the R. F. C. The Government already has a first mortgage, which you may make a second mortgage, and then give another first mortgage to another governmental agency, and we will let you get by with it."

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. COPELAND. The Senator perhaps was not present when the Senate accepted the words, "for working capital."

Mr. CLARK. Yes; I was present when that was done. As I said, that in some degree improves the amendment as it was brought in by the Senate committee. It certainly does not answer my criticism.

Mr. President, I listened with very great interest to the speech of the Senator from North Carolina, always brilliant, always eloquent, always entertaining, as he was on this occasion, but today he was setting up a straw man and knocking him down. Today my distinguished friend from North Carolina did not touch the merits of the amendments proposed in the bill. He discussed the necessity for a merchant marine. Who has disputed that on this floor or elsewhere? He discussed the necessity for national defense. Who has disputed that on this floor or elsewhere, with respect to this or any other bill?

Mr. President, the question is, What is necessary and what is desirable for the establishment of a merchant marine, and what is necessary and what is adequate in the way of national defense? Much as I am in favor of national defense, I am very far from being necessarily committed to the recommendations of the various agencies of the Government and their requests for additional authorizations or additional appropriations as to what is necessary for the national defense. However, assuming a merchant marine is absolutely necessary to national defense, as I believe it to be, and assuming that an adequate merchant marine is extremely desirable in an economic sense in connection with our foreign trade, and without disputing at the present moment as to what is adequate national defense in the way of a merchant marine and how much of a merchant marine is adequate and desirable for our foreign trade, this amendment brings us squarely back to the proposition which I advanced a while

ago, that assuming that a merchant marine is necessary from every standpoint, and that a merchant marine cannot be obtained without the United States paying 75 percent of the cost of construction and loaning the other 25 percent on very doubtful terms of recovery, and the United States incurring all the risks of operation by a differential operations subsidy, and the United States going beyond that, as is proposed in this amendment, and making provision for putting up the working capital, why, all these things being true, should the United States give that much money to private operators instead of owning and operating the ships itself?

Mr. President, the Senator from North Carolina said that contained in this bill, and to be passed on in the consideration of the bill, is the question of whether or not we are to have a merchant marine. I deny that. I stated on yesterday, and I believe it to be absolutely true, that the existing law could not possibly have been passed without the provision that if private capital either would not or could not enter the field to fulfill the necessity of the United States for a merchant marine, the funds of the United States should be taken for the Government operation of the ships.

Mr. President, the present provision is simply designed to get away from putting into effect that second alternative in the legislation. I said a while ago what every member of the committee and everyone familiar with the subject knows, that this particular amendment is designed to meet a particular emergency of one steamship company. The Maritime Commission considers that the lines operated by the Dollar Steamship Co. are on an essential route. The Dollar Steamship Co. happens to be hard up, so that, even with the very generous subsidy granted under existing law, the very generous aid which the Maritime Commission has at all times been willing to extend, with the taking away of some of the insurance money by the Maritime Commission, through the Commission's own official act the steamship company finds itself hard-pressed for working capital.

So this measure is brought in now, not with reference to a particular situation, of course, but as an extension of the general authority of the Maritime Commission for all time, and in all cases, to enable it to subordinate the first mortgage, which has been a requisite of their subsidy-granting power, to a lien held by another Government agency.

I said before, Mr. President, that that is simply beating the devil around the stump. It is simply an extension of unlimited subsidies and unlimited credit, and it seems to me the Senate should take that into very careful consideration before it adopts this amendment.

Mr. COPELAND. Mr. President, I sincerely hope that the proposal of my friend will not prevail. This matter was urged upon us by the Maritime Commission. Members of the Commission came before the committee and made representations and gave all the reasons which have been recited by the Senator from North Carolina and others.

I hope this motion will not prevail.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 24, beginning in line 13, as amended.

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Hayden	McNary
Andrews	Clark	Herring	Maloney
Ashurst	Connally	Hill	Miller
Austin	Copeland	Hitchcock	Milton
Bailey	Davis	Holt	Minton
Bankhead	Dieterich	Johnson, Calif.	Murray
Barkley	Donahay	Johnson, Colo.	Neely
Bilbo	Duffy	King	Norris
Bone	Ellender	La Follette	Nye
Borah	Frazier	Lee	O'Mahoney
Brown, Mich.	George	Lodge	Overton
Brown, N. H.	Gerry	Logan	Pittman
Bulow	Gibson	Loneragan	Pope
Burke	Gillette	Lundeen	Radcliffe
Byrd	Glass	McAdoo	Russell
Byrnes	Hale	McCarran	Schwartz
Capper	Harrison	McGill	Schwellenbach
Caraway	Hatch	McKellar	Sheppard

Shipstead	Townsend	Vandenberg	Walsh
Thomas, Okla.	Truman	Van Nuys	White
Thomas, Utah	Tydings		

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment on page 24, beginning in line 13, as amended.

Mr. CLARK. On that question I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CLARK. I ask for a division.

On a division, the amendment, as amended, was agreed to.

Mr. CLARK. Mr. President, I ask unanimous consent to reconsider the vote by which the Senate agreed to the committee amendment on page 4, being section 4, beginning in line 4.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and the vote is reconsidered.

Mr. CLARK. Under the language of this section, as reported in the committee amendment, it is provided that the price paid for certain vessels authorized to be purchased under the section—

Shall not exceed the construction cost of the vessel less depreciation based upon a 20-year life expectancy of the vessel, by more than 5 percent of such cost less depreciation.

The only difficulty with that section in its present form is that it sets up construction cost as a basis for the purchase price, when as a matter of fact it is well known that many such vessels were purchased from the Government itself, or from other agencies, at far less than the cost of construction.

I therefore offer, as a substitute for the committee amendment, an amendment to set up the fair value, rather than the cost of construction, as the basis of the purchase price.

The PRESIDENT pro tempore. The amendment offered by the Senator from Missouri, in the nature of a substitute for the amendment reported by the committee on page 4, beginning with line 4, will be stated.

The CHIEF CLERK. On page 4, after line 3, it is proposed to strike out section 4 and, in lieu thereof, to insert the following:

Sec. 4. Title II of the Merchant Marine Act, 1936, is amended by adding a new section at the end thereof to read as follows:

"Sec. 218. The Commission is authorized to acquire by purchase or otherwise such vessels as it may deem necessary to establish, maintain, improve, or effect replacements upon any service, route, or line in the foreign commerce of the United States determined to be essential under section 211 of this act, and to pay for the same out of its construction fund: *Provided*, That the price paid therefor shall be based upon a fair and reasonable valuation, but it shall not exceed by more than 5 percent the cost of such vessel to the owner (excluding any construction-differential subsidy and the cost of national defense features paid by the Commission) plus the actual cost previously expended thereon for reconditioning less depreciation based upon a 20-year life expectancy of the vessel. No such vessel shall be acquired by the Commission unless the Secretary of the Navy has certified to the Commission that such value is suitable for economical and speedy conversion into a naval or military auxiliary, or otherwise suitable for the use of the United States in time of war or national emergency. Every vessel acquired under authority of this section that is not documented under the laws of the United States at the time of its acquisition shall be so documented as soon as practicable."

Mr. COPELAND. Mr. President, I think in many respects the amendment offered by the Senator from Missouri is an improvement over the suggestion of the Maritime Commission; and, so far as I am concerned, I have no objection to it.

Mr. BONE. Mr. President, before the amendment is voted upon, I should like to ask the Senator from Missouri a question. The Senator will recall that in the case of some of the inquiries conducted it was found that the United States Government had sold vessels to a number of the shipping lines for as little as one-seventieth of their cost to the Government. That was true of some vessels sold to a steamship line on the Atlantic coast.

I should like to have a little enlightenment on the amendment. The committee amendment says:

The Commission is authorized to acquire by purchase or otherwise such vessels as it may deem necessary to establish, maintain, improve, or effect replacements upon any service, route, or line in the foreign commerce of the United States.

And so forth. What vessels are referred to? Does the language mean vessels now in existence? The text does not indicate what sort of vessels may be purchased. Certainly there is nothing in the text of the bill, so far as I can see, to indicate what vessels may be purchased.

Mr. CLARK. As I understand the context of the bill, it would apply both to vessels now in existence and to vessels which may be acquired in the future. My amendment to the committee amendment is designed to set up a standard of fair value, rather than construction cost, to prevent a situation in which somebody might buy a ship for a small proportion of its construction cost, as in the instance which the Senator just cited, and then sell it to the Government for 5 percent above its construction cost. My amendment sets up a standard of fair value as a basis and a limitation upon the amount which may be paid, rather than the original construction cost, which might be many times in excess of the cost to the owner of the vessel at the time the United States desired to take it.

Mr. BONE. What justification is there for paying the owner any more than he pays for the vessel? I have in mind an instance in which a private steamship company bought steamers from the Government for practically one-seventieth of their cost. If they are to be sold back to the Government at what would be considered a fair value for the vessels, we shall merely be putting an enormous profit in the hands of a private steamship operator without a scintilla of justification. I should not vote for any amendment to the bill which would enrich a man at the expense of the Public Treasury.

Mr. CLARK. On the other hand—a very much more likely case—if a shipowner had bought a ship for more than he would have been able at that time to realize on it, by setting up the cost to the owner the Senator from Washington would in many instances set a very much higher standard.

Mr. BONE. The trouble with the whole merchant-marine problem is that every piece of legislation brought before us permits this kind of shenanigans. Somebody is permitted to get something for nothing, and to get rich out of the Government by manipulating the value of the steamers. In 1936 we had a fight to insert a proviso that if the Government took the vessel back, it would pay only what the operator had invested in the vessel. At that time there was a provision in the bill which, if it had remained, would have enabled the operator to enrich himself. I cannot understand why such provisions find lodgment in these bills. There is no justification for them.

If my recollection serves me correctly, in the case of the Baltimore Mail Line, vessels which had cost the Government \$2,250,000 were sold to that line for \$30,000 apiece, or approximately one-seventieth of their cost. If the Government takes back one of those steamers, in heaven's name, why should it pay the owner the full cost of the vessel? There is no justification for it, and there would be no defense for it if we were criticized.

Mr. COPELAND. Mr. President, we are attempting to build up an American merchant marine and, in order to do it, are subsidizing the operation of the ships. The fact that we are paying the differential places upon us the obligation to have the ships in a given service as modern and economical in operation as possible.

The Dollar Line has been mentioned. It may well be that the Dollar Line is operating with an operating differential, ships which are so antiquated and so expensive to operate that it is costing Uncle Sam money every day to keep them going. The Government might find, however, that another less important service might be taken care of by the slow ships which are inefficient on the route which they presently operate. So it would be the part of good business to buy

those ships, if possible, and employ them in another service where they might be useful. Of course, the Government having a lien upon them, the money would not be out of the hands of the Government, and then the only question involved would be how much compensation should be paid.

I think the Senator from Missouri has safeguarded it. Under no circumstances could the payment be more than 5 percent of the actual cost of the ship plus the actual cost of reconditioning. It is sufficiently near in form to the proposal of the Maritime Commission for me to be perfectly willing to have the amendment adopted.

Mr. BONE. Mr. President, my objection is that the Government is paying the steamship owner who is selling the vessel to the Government much more than he put into it. What right has he to demand more than he put into it? Is there any reason or logic or excuse for giving a steamship company more than it put into a vessel in dollars and cents? This program is going to cost enough without deliberately enriching somebody. For instance, the shipping company may have put \$30,000 into one of these vessels and we buy it back; why should we give that company two and a quarter million dollars for a vessel for which the steamship company only paid \$30,000? That does not make sense. That is one of the reasons why these subsidy programs have been bitterly opposed, namely, because they have been brutally abused.

Mr. COPELAND. Has the Senator really examined the language with care?

Mr. BONE. I am interested in the language tendered by the Senator from Missouri.

Mr. COPELAND. It reads:

Provided, That the price paid therefor shall be based upon a fair and reasonable valuation.

Mr. BONE. "A fair and reasonable valuation" on a boat might be \$2,000,000 when the owner paid only \$30,000 for it. Why apply to the Government a yardstick that we refuse to apply to the private person?

Mr. COPELAND. I will read the remainder of the language:

Fair and reasonable valuation, but it shall not exceed more than 5 percent of the cost of such vessel.

Mr. BONE. Why even a 5-percent differential?

Mr. COPELAND. If the owner paid \$30,000 the most he could get would be \$1,500.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on agreeing to the amendment of the Senator from Missouri on page 4.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Mr. McKELLAR. Mr. President, I now offer the amendment which was read at the clerk's desk and ask that it be again stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 17, line 21, after the word "hereby", it is proposed to strike out—

amended to read as follows:

"SEC. 604. If in the case of any particular foreign-trade route the Commission finds, after consultation with the Secretary of State, that the subsidy provided for in this title is in any respect inadequate to offset the effect of governmental aid paid to foreign competitors, it may grant such additional subsidy as it determines to be necessary for that purpose: *Provided, That no such additional subsidy shall be granted except upon an affirmative vote of four of the members of the Commission.*"

And in lieu thereof to insert the word "repealed", so as to read:

SEC. 20. Section 604 of the Merchant Marine Act, 1936, is hereby repealed.

Mr. McKELLAR. Mr. President, I ask Senators to take copies of the bill and look at the bottom of page 17. I call attention to the fact that the only difference between section 604 of the existing law and section 604 as proposed to be amended by this bill is that on page 18 "four" is substituted

for "five." Under the existing law, all five of the commissioners have to give an affirmative vote in order to allow an additional subsidy. I think that the section ought to be repealed entirely. I desire to state why I think this section of the existing law should be repealed, as I am proposing to do by my amendment.

Mr. President, we give three-fourths of the cost of a ship and then lend the money for the other fourth. Under the present law there is provided the most elaborate system of subsidies and the most elaborate system of subsidies are provided by this bill, probably the greatest subsidies to any steamship lines in the world. I am not positive as to that, but that is my information.

In addition to that, listen to this language:

If in the case of any particular foreign-trade route the Commission finds, after consultation with the Secretary of State—

The Secretary of State is not required to act; he is not required to take any affirmative or negative action. All that it requires is that he be consulted.

Mr. CLARK. And the members of the Commission do not have even to agree with the Secretary of State.

Mr. McKELLAR. No, it is not required that they agree with the Secretary of State. It is the most unusual provision probably in this very remarkable bill. Why should it be required that the Commission consult with the Secretary of State when no action is required by the Secretary of State as to whether the proposal is good or bad? The Secretary of State is not required to agree to it; he is not required to recommend it; there is no requirement except that he shall be consulted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CLARK. Under this section, which the Senator says is a very remarkable section, a representative of the Maritime Commission may call upon the Secretary of State and say, "What do you think about granting a subsidy three times as great as the subsidy now being paid to a particular line?" The Secretary of State may say, "I do not see any justification for it; I am against it." Then the Maritime Commission may say, "Very well; we have consulted with you, and now we will go back and put the subsidy into effect."

Mr. McKELLAR. Of course, that is exactly what may be done under this provision. However, let me read a little further:

If * * * the Commission finds, after consultation with the Secretary of State that the subsidy provided for in this title—

And an elaborate system of generous subsidies is provided for in this title. The Government builds the ships for the shipping lines, virtually gives the ships to them, and then provides an elaborate system of subsidies for operating these ships.

If * * * the Commission finds after consultation with the Secretary of State that the subsidy provided for in this title is in any respect inadequate—

To do what?—

to offset the effect of governmental aid paid to foreign competitors—

What an easy proposition—

is in any respect inadequate to offset governmental aid paid to foreign competitors, it may grant such additional subsidy as it determines to be necessary for that purpose.

It is not a case of Congress granting a subsidy; it is a case of giving to the Commission the power, originally by unanimous vote, but under the amendment by a vote of 4, to grant any subsidy it pleases. It is a blank check upon the Treasury of the United States for any amount which the Commission unanimously thinks should be granted a particular company on any route or all routes.

I say that is the most indefensible proposal I have ever known of during my service in Congress. So far as I can recall I do not think I have ever heard of any more indefensible proposal being put on the statute books of the Nation.

There is this proviso:

Provided, That no such additional subsidy shall be granted—

Not the original subsidy, mind you, Mr. President, but "no additional subsidy." It has nothing to do with the elaborate subsidies that are already provided, but it is an additional subsidy—

shall be granted except upon an affirmative vote of four members of the Commission.

I understand that such proposals have come up two or three times and the Commission has denied subsidies, but evidently it was thought that if the law were modified the votes of four commissioners could be obtained; and if four votes could be obtained in the Commission, additional subsidy could be paid to any line in this country—the Dollar Line, which was referred to a few moments ago, or any other line, good or bad, bankrupt or solvent, it makes no difference.

The power is too broad; it should not be granted. Under the circumstances I do not think this provision of the bill should be adopted; but I think it should be repealed entirely. If we are going to vote subsidies, for heaven's sake, let the Congress itself pass upon the question and not give the power to the Commission. I doubt very much whether we have a constitutional right to give the Commission the power to grant a subsidy of this kind, an unlimited subsidy, simply after consulting the Secretary of State. The Commission is not required to have any findings from the Secretary of State; it is not required to have any findings from anybody, not even from the Commission itself. Under this provision, if adopted, if four members of the Commission vote in favor of a proposal for an additional subsidy, then the subsidy must be paid.

Under those circumstances I have offered the amendment to repeal that provision of the law. I hope the amendment will be adopted. It would be useless to discuss it any further. I think everyone in this presence understands the question. I ask for a vote on the amendment.

Mr. COPELAND. Mr. President, since the Senator from Tennessee has gone so far as to propose the repeal of this section as found in the act of 1936, I think I should say a word regarding the history of the section, and why it was put in the act in the first place.

On the 4th of March 1935 President Roosevelt sent to the Congress a message in relation to the American merchant marine. He urged upon the Congress that the time had come to give consideration to this great problem relating to our public policy. In the message the President said what I am about to read. First, however, let me say that he was conscious of the fact which is hinted at in the amendment at the top of page 18, that certain action might be necessary—

To offset the effect of governmental aid paid to foreign competitors.

The point in the mind of the President being this:

Certain nations—I shall not be offensive by naming them—in addition to making very liberal contributions toward the building of ships, in one instance \$50,000,000 out of the government treasury, are paying secret subsidies to further their foreign trade. They are going into the uttermost parts of the earth to pick up commerce. So in the message of the President of March 4, 1935, he said:

Approached in this way a subsidy amounts to a comparatively simple thing. It must be based upon providing for American shipping Government aid to make up the differential between American and foreign shipping costs. It should cover, first, the difference in the cost of building ships; second, the difference in the cost of operating ships; and finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping. Only by meeting this threefold differential can we expect to maintain a reasonable place in ocean commerce for ships flying the American flag, and at the same time maintain American standards.

That is the language of the President.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. Of course, that is so; but that is all taken care of in the very generous and liberal subsidies which are

now in force. Not by the wildest flight of the imagination does the President recommend what is in this bill, namely, that the Maritime Commission shall be given the right to pay any additional subsidies that it may think proper to pay.

Mr. COPELAND. Mr. President, I can only reply by quoting the exact language of the President. Speaking of the subsidy, he says:

It should cover, first, the difference in the cost of building ships.

That we provide for in our construction subsidy.

Second, the difference in the cost of operating ships.

That we provide for in our operating subsidy, the operating differential.

Further quoting the President:

And finally it should take into consideration the liberal subsidies that many foreign governments provide for their shipping. Only by meeting this threefold differential can we expect to maintain a reasonable place in ocean commerce for ships flying the American flag and at the same time maintain American standards.

Mr. President, that is the historical fact and the origin of the provision. What has been the practice? This has been the law for almost 2 years. The act was approved June 29, 1936—2 years next month. In these 2 years not a single penny has been used by the Maritime Commission to carry out this provision of the law.

It may be asked, then, since the provision has not been used, why should it be here? Frankly, it is intended as a club over foreign competitors when they know, as they do know, that if a service is to be maintained to South America or Africa or some other part of the world, even though that service may not be immediately profitable to the United States, it may be desirable to attempt to build up that commerce, having the future in mind. That is what the provision is for. I doubt if it will be used, although our President—and I approve thoroughly his thought in this respect—is very much interested in the promotion of South American trade. My friend from California [Mr. McAdoo], a warm friend of the President, is not enthusiastic about building up the foreign trade of South America at the expense of taking out of the intercoastal trade the three ships mentioned in his joint resolution, the *Pennsylvania*, *California*, and *Virginia*; but the President is interested in promoting that trade; and, without discussing the merits of the withdrawal of the ships I have named, who can question that it is the part of wisdom for the United States of America, having a surplus of American products and a surplus of manufactured products, to create services in South America, even though we should have to spend some money out of the Treasury of the United States to make possible the operation of these lines until they become self-supporting? That self-support cannot be made possible through the subsidy which simply marks the difference between the cost of operation under the American flag and the cost of operation under a foreign flag. There would be losses because of the operation, without any freight to carry to and fro. So this is a very effective club to use, or to have in reserve in case of necessity.

I will say to my distinguished colleague from Tennessee that I have no interest in the amendment which is here written. I should be perfectly satisfied to have the language go back to that of the act as it is today. I will tell the Senator why it was deemed wise to change it.

It was thought that in view of the fact that the purpose of this provision is to build up foreign trade—because the bill relates to foreign trade—it would be a good thing to have the Secretary of State taken into the counsels of the Maritime Commission. We have a great Secretary of State.

Mr. BONE. Mr. President, that is the only change in the wording of the section; is it not?

Mr. COPELAND. Almost the only one. I am about to refer to one other.

We have a great Secretary of State, coming from the State of our colleague who offered the pending amendment. We thought it would be a wonderful thing if, in our efforts to build up foreign trade, particularly the South American

trade, the Secretary of State should be taken into the counsels of the Maritime Commission; so we took off one vote from the Maritime Commission, and gave a vote—a very big vote, a veto power, indeed—to the Secretary of State.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. Will the Senator explain where that veto power is to be found in the provision?

Mr. McKELLAR. Certainly there is no provision for it in the bill.

Mr. COPELAND. The language is:

If in the case of any particular foreign-trade route the Commission finds, after consultation with the Secretary of State, that the subsidy provided for in this title is in any respect inadequate—

And so forth.

Mr. CLARK. Does the Senator understand that that language gives the Secretary of State a veto power?

Mr. COPELAND. I should think so.

Mr. CLARK. A mere provision that the Commission shall consult him? Suppose there should be a disagreement between the Maritime Commission and the Secretary of State?

Mr. COPELAND. All right; let us waive that.

Mr. CLARK. I am not willing to waive it.

Mr. COPELAND. Now, I will answer the question of the Senator from Washington [Mr. BONE]. There is one other change.

Mr. BONE. Mr. President, that seemed to be the material change. I was interested only to that extent. I did not make a point of it at all. That seemed to be the change—that the Commission were called upon to consult with the Secretary of State before additional subsidies could be paid.

Mr. COPELAND. The way the law is now, the ship operators have to get those five votes every time they build if they are to have a subsidy.

I have told the Senate the origin of the section and the purpose of the section. I shall be satisfied with the decision of the Senate as to what shall be done with the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR]. [Putting the question.] By the sound the noes seem to have it.

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Hayden	McNary
Andrews	Clark	Hill	Miller
Austin	Connally	Hitchcock	Minton
Bailey	Copeland	Johnson, Colo.	Neely
Bankhead	Duffy	King	O'Mahoney
Barkley	Ellender	Lee	Overton
Bilbo	Frazier	Lodge	Pittman
Bone	George	Logan	Radcliffe
Borah	Gerry	Lundeen	Sheppard
Brown, N. H.	Gibson	McAdoo	Thomas, Okla.
Bulow	Gillette	McCarran	Thomas, Utah
Burke	Hale	McGill	Truman
Capper	Hatch	McKellar	

The PRESIDING OFFICER. Fifty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON], which I transfer to the junior Senator from New Hampshire [Mr. BRIDGES], and vote "nay." I am not advised how either of these Senators would vote if present and voting.

Mr. CLARK (when Mr. NORRIS' name was called). The senior Senator from Nebraska [Mr. NORRIS] is unavoidably detained. If present and permitted to vote, he would vote "yea."

The roll call was concluded.

Mr. LOGAN (after having voted in the affirmative). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I do not know how he would vote if present, and I therefore withdraw my vote.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the senior Senator from Delaware [Mr. TOWNSEND], which I transfer to the senior Senator from South Carolina [Mr. SMITH], and allow my vote to stand.

Mr. MINTON. The Senator from Delaware [Mr. HUGHES], the Senator from Oregon [Mr. REAMES], and the Senator from Washington [Mr. SCHWELLENBACH] are detained on account of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Tennessee [Mr. BERRY], the Senator from Michigan [Mr. BROWN], the senior Senator from Ohio [Mr. BULKLEY], the junior Senator from Virginia [Mr. BYRD], the junior Senator from South Carolina [Mr. BYRNES], the Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Illinois [Mr. DIETERICH], the junior Senator from Ohio [Mr. DONAHEY], the senior Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. HOLT], the senior Senator from Illinois [Mr. LEWIS], the senior Senator from Connecticut [Mr. LONERGAN], the junior Senator from Connecticut [Mr. MALONEY], the junior Senator from New Jersey [Mr. MILTON], the junior Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. SCHWARTZ], the senior Senator from New Jersey [Mr. SMATHERS], the senior Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], the Senator from New York [Mr. WAGNER], the Senator from Massachusetts [Mr. WALSH], and the senior Senator from Montana [Mr. WHEELER] are unavoidably detained from the Senate.

Mr. AUSTIN. The Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Virginia [Mr. GLASS].

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The result was announced—yeas 27, nays 22, as follows:

YEAS—27			
Adams	Burke	Hatch	McGill
Bankhead	Capper	Hill	McKellar
Bilbo	Clark	Hitchcock	Miller
Bone	Connally	Johnson, Colo.	Neely
Borah	Duffy	King	Thomas, Okla.
Brown, N. H.	Frazier	Lee	Truman
Bulow	Gillette	Lundeen	

NAYS—22			
Austin	George	McAdoo	Pittman
Bailey	Gerry	McCarran	Radcliffe
Barkley	Gibson	McNary	Sheppard
Caraway	Hale	Minton	Thomas, Utah
Copeland	Hayden	O'Mahoney	
Ellender	Lodge	Overton	

NOT VOTING—47			
Andrews	Glass	Maloney	Shipstead
Ashurst	Green	Milton	Smathers
Berry	Guffey	Murray	Smith
Bridges	Harrison	Norris	Townsend
Brown, Mich.	Herring	Nye	Tydings
Bulkley	Holt	Pepper	Vandenberg
Byrd	Hughes	Pope	Van Nuys
Byrnes	Johnson, Calif.	Reames	Wagner
Chavez	La Follette	Reynolds	Walsh
Davis	Lewis	Russell	Wheeler
Dieterich	Logan	Schwartz	White
Donahey	Loneragan	Schwellenbach	

So Mr. McKELLAR's amendment was agreed to.

Mr. BONE. Mr. President, I had intended to offer an amendment. It has to do with the matter of employing crews on vessels that come within the purview of this measure. I have been requested to introduce the amendment in order that the Senate may have an opportunity to pass on it. I send it to the desk and ask that the clerk state it.

I understand the Senator from Kentucky has had the amendment brought to his attention.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, after line 2, it is proposed to add the following subdivision to section 301, as amended, in section 5:

(b) Neither the Maritime Commission nor any operator receiving an operating-differential subsidy shall call upon any governmental agency to furnish it qualified, licensed, or unlicensed seamen to perform any duties required of them on board merchant vessels as long as the certified collective bargaining agencies can furnish from among their membership duly qualified persons to perform any duties required of them as members of the crews of American merchant ships. Employees of any vessels owned by, or operated for the account of, or chartered by, the Commission shall be deemed employees within the meaning of section (2), subdivision (3), of the National Labor Relations Act (49 Stat. 449), and the operator of such vessels shall be deemed an employer within the meaning of section (2), subdivision (2), of said act.

Mr. BARKLEY. Mr. President, I had risen to offer the first part of that amendment. After conferring with the Senator from New York [Mr. COPELAND] and those interested in the amendment it had been agreed to strike out the latter part of the amendment, and the Senator from New York had agreed to accept the first part.

Mr. COPELAND. Mr. President, I think the Senator is over enthusiastic. The Senator offered to me this language along with the original proposal, but when I came to study it, it became very apparent to me that that was just as bad as the original.

Mr. BARKLEY. The only difference is that the latter proposal eliminated that part of the amendment which begins with the words "Employees of any vessels." In other words, it eliminated that part which made the employees and the Maritime Commission or the operators of any of these Government-operated boats subject to the National Labor Relations Board.

Mr. COPELAND. Yes.

Mr. BARKLEY. I understood that with that part of the amendment eliminated, the Senator from New York would accept the amendment.

Mr. COPELAND. What the Senator proposes would leave in it this language:

Neither the Maritime Commission nor any operator receiving an operating-differential subsidy shall call upon any governmental agency to furnish it qualified licensed or unlicensed seamen.

That would put every Government-operated ship at the mercy of a union, and all employees would be brought from the union. The navigation law of the United States sets up a plan for enlisting men. The shipping commissioner in each of the shipping ports has the right under the law to have a list of qualified seamen. If this amendment, either as offered by the Senator from Washington or the Senator from Kentucky, were to prevail, it would mean that the union would determine to the last man who should be employed upon a Government ship.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. My understanding of the language is that it would mean that so long as there was any eligible or qualified seaman or person on a list created as the result of any action brought about by collective bargaining under the National Labor Relations Act or any act applying to seaman, the employees would have to be taken from that list before any Government agency would be permitted to furnish any list of seamen for employment on these vessels.

I will say to the Senator that whether it resulted in the employment of no one but union men might depend upon circumstances. The National Labor Relations Act does not require that everyone who takes advantage of its provisions shall apply to a union. Any group of employees anywhere may meet and select representatives of their own choosing and sit down at a table with the employers in what is called collective bargaining. They are recognized just as much as the members of any union. It does not follow that because a group of employees takes advantage of the National Labor

Relations Act to engage in collective bargaining that they are thereby automatically members of any union. I do not know the proportion of seamen or employees of steamships that are union or nonunion. I do not know the proportion that may be divided among the various unions that have to do with the sea. But certainly so long as there is available any employment list which has been prepared as a result of collective bargaining under any other Federal act, it seems to me that it is not unreasonable that that list should be exhausted before a Government list is furnished for employees or crews on ships. That is all I had in view in suggesting even the first part of the amendment which had been offered by the Senator from Washington.

Mr. BONE. Mr. President, I wish to make an inquiry, because I am somewhat uncertain in my own mind, and I am not wholly familiar with the method by which crews are now hired; that is, the seamen who are involved in this amendment which was brought to my attention. I understand the effect of this amendment would be to render it unnecessary to look to the shipping commissioners who now keep the list of able seamen. That was my understanding of the effect of this amendment. It would mean that the hiring halls would be thrown open to provide crews, much after the fashion that the hiring hall is now the source of supply of longshoremen. The hiring halls are in quite common use along the Pacific coast. I assume they are in use on the Atlantic and on the Gulf coasts.

I think it would be perfectly proper to submit the amendment for disposition by the Senate, because, as the Senator from Kentucky points out, the National Labor Relations Act is a fundamental part of our legal structure. We are operating under it, and it is not extravagant to suggest that the men who are employed on ships come within the same categories that others do. It is not doing violence to logic certainly to suggest that they be set aside in some technical and particular categories when other employees in various activities come within the scope of the act.

Mr. COPELAND. Mr. President, I have a complete defense of the opposition of the committee to this amendment. Since we started the debate I have had a note from the American Federation of Labor expressing absolute disapproval of this amendment. I think even though the hour is late I ought to make clear to the Senate and to the country why this amendment is unwise.

This proposed amendment is similar to, if not identical with, H. R. 10335, a bill introduced in the House on April 20 by Mr. SMOVICH. If adopted, it would materially alter the existing law with respect to collective bargaining in two important particulars. In order to understand the full import of the proposal, the two sentences which it comprises should be considered in inverse order.

The second sentence would make the United States an "employer" within the meaning of the National Labor Relations Act. Employees on vessels operated for the account of the Maritime Commission, an agency of the United States, are employees of the United States. The amendment provides that such employees shall be deemed employees within the meaning of the National Labor Relations Act and that the operator of such vessels shall be deemed an employer within the meaning of that act. Inasmuch as the operators of vessels owned by the Maritime Commission are agents of the Commission, this provision would carry the import of the National Labor Relations Act directly to the Maritime Commission.

I should like to call the attention of the Senate to the discussion we had at the time the Wagner Labor Relations Act was under consideration.

The United States is not now an employer within the meaning of the Wagner Act. Section (2) subdivision (2) defines the term "employer" as including "any person acting in the interest of an employer directly or indirectly but shall not include the United States or any State or political subdivision thereof * * *." This exclusion is but the usual exemption of the sovereign from its own processes. It is similar to the immunity of the sovereign from suit. Like that immunity it should be relaxed, if at all, cautiously and after careful study.

President Roosevelt has warned the unions that are active among Federal employees that they cannot expect to engage in collective bargaining with the Government in the full sense of the term. The reason as given by the President is that final authority rests with the Congress and the heads of departments and independent agencies are without authority to make the binding contracts necessary for the full expression of collective bargaining.

The first sentence of the proposed amendment would in effect impose a closed shop on (1) the United States in the operation of its vessels and (2) on the operators of subsidized vessels. The amendment provides that neither the Maritime Commission nor any operator of subsidized vessels shall call upon any governmental agency to furnish the personnel for the operation of the vessels as long as the certified collective bargaining agencies can furnish such personnel from among their membership.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BORAH. The language to which the Senator has just referred is:

As long as the certified collective bargaining agencies can furnish from among their membership duly qualified persons.

Who is to determine whether they are "duly qualified"?

Mr. COPELAND. Under the navigation laws, that question is determined by the shipping commissioner, as has always been the practice.

Mr. BORAH. Would that be the case under this amendment?

Mr. COPELAND. No.

Mr. BORAH. Under this amendment, who would determine whether the individuals were "duly qualified" persons?

Mr. COPELAND. The hiring hall run by the union. If a demand were made for five cooks, five stewards, or an engineer, the hiring hall would send such persons.

Mr. BORAH. That situation has existed on the Pacific coast.

Mr. COPELAND. That is the situation which has existed on the Pacific coast, where Mr. Bridges has gained his great power. The people of the United States have bowed down to him and to his motley group.

Mr. KING. Mr. President, will the Senator yield for a moment?

Mr. COPELAND. I yield.

Mr. KING. Is not the Secretary of Labor protecting Mr. Bridges from deportation, notwithstanding the manifest evidence of his liability to be deported? For a number of years efforts have been made to have Mr. Bridges deported, but the Secretary of Labor, apparently, desires to protect him. He is imported to New York to help the strikes there, and to prevent ships from operating. He seems to be a man favored by some elements in power in the Government.

Mr. COPELAND. Mr. President, I shall not undertake to answer the question.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. I am interested in the matter of interpreting the following language:

Neither the Maritime Commission nor any operator receiving an operating-differential subsidy shall call upon any governmental agency to furnish it qualified, licensed, or unlicensed seamen to perform any duties required of them on board merchant vessels as long as the certified collective bargaining agencies can furnish from among their membership duly qualified persons to perform any duties required of them as members of the crews of American merchant ships.

After all, does not that language leave it up to the Maritime Commission to determine whether the men certified are qualified? Does that language automatically mean that only the certifying agency which is recognized in the collective bargaining set-up may determine the fitness and suitability of the persons certified?

Mr. COPELAND. What the Senator suggests is exactly what happens. If a shipowner were to decline to take a member of the union sent from the union hiring hall when there was a demand for a qualified person for this or that position, there would be a sit-down strike on that ship within 1 hour.

Mr. BARKLEY. Of course this language has never been in the law up to this time, and, so far as I know, nobody has ever had occasion to interpret its meaning. I am not quibbling. I am trying to interpret the language as it is. Suppose some unqualified or inefficient person selected from a hiring hall should be sent to a ship, and the Maritime Commission should decide that the person was not qualified or suitable, and should send somebody in lieu of that per-

son: Would not the Commission in such case have the right to determine whether or not, in the first instance, the person was qualified or suitable?

Mr. COPELAND. They would have the moral right.

Mr. BARKLEY. And the legal right?

Mr. COPELAND. We are not dealing with something which is unfamiliar to us. We know how the plan is working. Take the case of men who have been in the service of different lines year after year, until they have become almost indispensable to the owners of the lines: What happens to them? They are left on the beach. They are put out of employment because they do not belong to "our union." The owner is forced to acquiesce if he is to get along with any degree of peaceful operation. Then the hiring hall of the union sends down five men to take the place of five experienced men who have been with the line for years. If the Maritime Commission or the operator should say "We will not take these men," there would be another tie-up of the ship.

Mr. BORAH. While the ships might be tied up, the question with me is whether the Maritime Commission would have the legal right to determine the qualifications of the persons certified. Certainly we do not desire to give to any organization the power to determine the qualifications of the men without regard to what the Maritime Commission or the Government thinks about the matter. The question with me is whether or not the Maritime Commission would have the legal right to determine the qualifications. If they would not have, so far as I am concerned, I would not think of supporting the measure.

Mr. COPELAND. May I ask the Senator to do me the honor of listening to the further argument which is here set forth? Continuing:

Under present law (U. S. C., title 46, sec. 545) it is the duty of the shipping commissioners in the various ports of the United States to afford facilities for engaging seamen. It is the accepted practice of merchant vessels of the United States to obtain vessel personnel through the shipping service of the Department of Commerce. This amendment would substitute by law those maritime labor unions which have been certified as the collective bargaining agencies in the place of the shipping service as the source of labor supply. The effect is to impose the closed shop by legislative fiat.

Mr. BORAH. I do not think I agree with that statement; but the statement does not discuss the particular point in which I am interested.

Mr. COPELAND. Perhaps the remainder of the statement will discuss the question. I read further:

Such an application of the closed-shop principle is a clear departure from established policy. The National Labor Relations Act recognizes the validity of the closed-shop principle when applied as a matter of contract between a private employer and a labor organization (sec. 7, subdivision (3)). The law provides "that nothing in this act * * * shall preclude an employer from making an agreement with a labor organization * * * to require as a condition of employment membership therein if such labor organization is the representative of the employees * * * in the appropriate collective bargaining unit covered by such agreement when made." It would be a complete departure from the underlying philosophy of the National Labor Relations Act to remove the closed shop from the realm of voluntary contract and to make it a matter of compulsion.

This result, nevertheless, is what the proposed amendment would do not only for the private employers who operate subsidized vessels but for the United States itself. Consequently, the amendment would not only subject the United States to the processes heretofore defined in the National Labor Relations Act but would require the Federal Government to engage in collective bargaining under conditions far more stringent than those which have been applied to, and required of, private employers.

The closed-shop plan is not easy to operate. Old established unions with disciplined membership do not find the closed shop an unmixed blessing. Experience demonstrates that the best union man is not always the best worker, and that the best workmen do not always develop into the best union men. Any agency, union, employment office, or hiring hall which undertakes to maintain an employment placement service must provide trained, efficient workmen. Placement in jobs is a specialized field of endeavor. The proposed amendment would deny to the United States and to the operators of its merchant marine the use of established, tried facilities established for the benefit of seamen and make it mandatory for them to rely upon untrained and unknown methods in obtaining the personnel to man their ships. It is a matter of common observation that newly organized

unions are eager to rush into this matter without a proper understanding of their responsibility to their employers.

The reason is obvious. The closed shop is a make-to-order organization device. The union, unable to enroll the full quota of employees of a particular industry, demands the closed shop as a means of excluding those who do not join with them and agree with them. They are willing, even eager, to make up for their own lack of strength at the expense of the efficiency of their industrial unit.

If the Congress desires to relax the immunity of the United States from the labor policy it has declared, the changes should be made after due deliberation and with full consciousness of and preparation for the consequences. Opportunity should be given for hearing of organized labor and of the Government departments and agencies, in order that principles may be developed and understood. This proposal involves fundamental changes in policy at the behest of a small segment of employees.

The merchant marine is not in a position at this time to bear the burden of experimentation. The labor unrest on board ship and on the waterfront is a matter of serious concern to the welfare of the merchant marine and to the national defense. If Congress is to take cognizance of the situation and consider specific, remedial legislation, it would seem to be advisable to go into the whole situation, to get to the bottom of it, and not adopt a hit-or-miss modification of the shipping service.

As I said a little while ago, I do not know what may be the attitude of the C. I. O. I have had no communication from them. This afternoon I have heard from the American Federation of Labor that they are in opposition to this proposal, as voiced in their opposition to the Sirovich bill, of which this amendment is a copy. I am sure it would be detrimental in every sense to the merchant marine of the United States.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. McKELLAR. Mr. President, yesterday there was reported favorably from the Committee on Appropriations House Joint Resolution 623, providing for an appropriation of \$50,000 and not to exceed \$155,000 of the sums heretofore received by the United States Constitution Sesquicentennial Commission, to enable it to pay its bills and the salaries of its employees. It is a matter of great importance. The Commission is very anxious to have the bill considered by the Senate, and I ask unanimous consent that it may be considered at this time. I call attention to a typographical error on page 2.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 623) making available additional funds for the United States Constitution Sesquicentennial Commission, which had been reported from the Committee on Appropriations with an amendment, on page 2, line 7, after the word "appropriated", to strike out "as a revolving fund for the further acquisition of such publications and material as authorized by section 2 of such public resolution of August 19, 1937" and to insert "for the payment of the obligations of the said Commission now outstanding and for the sale of such publications and material as are now on hand, this fund", so as to make the joint resolution read:

Resolved, etc., That for an additional amount for the United States Constitution Sesquicentennial Commission to carry out the provisions of the public resolution entitled "Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes," approved June 1, 1936 (49 Stat. 1392), as amended by the public resolution entitled "Joint resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission," approved August 19, 1937 (50 Stat. 694), there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, to remain available until June 30, 1939. Not to exceed \$155,000 of the sums heretofore and hereafter received by the Commission from the sale of publications and other material are hereby appropriated for the payment of the obligations of the said Commission now outstanding and for the sale of such publications and material as are now on hand, this fund to remain available until June 30, 1939, and to be available for the payment of obligations heretofore incurred for such purposes and for personal services in connection with the sale of such publications and other material.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TRUMAN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Charles Lebo, to be postmaster at Winamac, Ind., in place of Charles Lebo.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of Richard C. Patterson, Jr., of New York, to be Assistant Secretary of Commerce, vice Ernest Gallaudet Draper, resigned.

Mr. HARRISON from the Committee on Finance, reported favorably the following nominations:

Lowell Mellett, of the District of Columbia, to be Executive Director of the National Emergency Council;

Dr. Lloyd D. Felton to be senior surgeon in the United States Public Health Service, to take effect from date of oath;

Assistant Dental Surgeon (R) George E. Waterman, to be assistant dental surgeon in the United States Public Health Service, to take effect from date of oath; and

Paul J. Dowd, of Philadelphia, Pa., to be assayer of the mint of the United States at Philadelphia, Pa., in place of Chester W. Ziegler, deceased.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment in the Regular Army.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

POSTMASTER AT UVALDE, TEX.

Mr. McKELLAR. Mr. President, today the President sent to the Senate the nomination of John W. White to be postmaster at Uvalde, Tex., in place of John W. White, whose commission expired April 30, 1938.

Uvalde is the home of our distinguished and very greatly esteemed Vice President. I ask unanimous consent, from the Committee on Post Offices and Post Roads, to submit a favorable report on the nomination, and further ask unanimous consent that it be considered and confirmed at this time, and that the President be notified.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. The nomination will be read.

The legislative clerk read the nomination of John W. White to be postmaster at Uvalde, Tex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and the Vice President will be notified. [Laughter.]

Mr. McKELLAR. The President—and the Vice President, too. [Laughter.]

The PRESIDING OFFICER. Without objection, the President will be notified.

If there be no further reports of committees, the clerk will state in their order the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk read the nomination of Frank James Gowney to be postmaster at Englewood, N. J.

The PRESIDING OFFICER. This nomination is adversely reported.

Mr. McKELLAR. I ask that it be rejected.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination? [Putting the question.] The yeas have it, and the nomination is rejected.

The legislative clerk proceeded to read sundry other nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the remaining nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

That concludes the calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 11, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 10 (legislative day of April 20), 1938

UNITED STATES ATTORNEY

Summerfield S. Alexander, of Kansas, to be United States attorney for the district of Kansas. (Mr. Alexander is now serving in this office under an appointment which expired April 30, 1938.)

UNITED STATES MARSHAL

Lon Warner, of Kansas, to be United States marshal for the district of Kansas. (Mr. Warner is now serving in this office under an appointment which expired May 4, 1938.)

COLLECTOR OF INTERNAL REVENUE

John E. Manning, of Newark, N. J., to be collector of internal revenue for the fifth district of New Jersey, in place of William H. Kelly, resigned.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

Dell Fred Dullum, Medical Corps Reserve.
Richard Leland Bohannon, Medical Corps Reserve.
Ralph Moody Patterson, Medical Corps Reserve.
Charles Francis Haughey, Medical Corps Reserve.
Hyman Richard Osheroff, Medical Corps Reserve.
Wayne Sigvart Hagen, Medical Corps Reserve.
James Peter Pappas, Medical Corps Reserve.
Arnold Lorentz Ahnfeldt, Medical Corps Reserve.
Frank Wilson Threadgill, Medical Corps Reserve.
John Joseph Pelosi, Medical Corps Reserve.
Jack Percy Scott, Medical Corps Reserve.
John Brancato, Medical Corps Reserve.
Ralph Townsend Artman, Medical Corps Reserve.
Raymond Harold Bunshaw, Medical Corps Reserve.
Frank Charles Eaton, Medical Corps Reserve.
Melvin Frederic Eyerman, Medical Corps Reserve.
Norman Everett Peatfield, Medical Corps Reserve.
Hubert Thomas Elders, Medical Corps Reserve.
Robert Walker Robinson, Medical Corps Reserve.
Elwood Erwin Baird, Medical Corps Reserve.
Frank Whitton Govern, Medical Corps Reserve.
Alfred Pembroke Thom, 3d, Medical Corps Reserve.
Robert Lindsay Zobel, Medical Corps Reserve.
Joseph Thomas Caples, Medical Corps Reserve.
John Thomas Cangelosi, Medical Corps Reserve.
Julius Snyder, Medical Corps Reserve.
Adanto Arcangelo Secondo D'Amore, Medical Corps Reserve.

Martin Andrew Compton, Medical Corps Reserve.
Robert Beardsworth Lewis, Medical Corps Reserve.
Eugene Maurice Martin, Medical Corps Reserve.
Clifford D. Dangerfield, Medical Corps Reserve.
William Nelson Donovan, Medical Corps Reserve.
Robert Lysle Findley, Medical Corps Reserve.
Frank Gordon Stephens, Medical Corps Reserve.
Forrest Edgar Hull, Medical Corps Reserve.

DENTAL CORPS

To be first lieutenants with rank from date of appointment

First Lt. Edward Goodwin Austin, Dental Corps Reserve.
Capt. Thayne Foster McManis, Dental Corps Reserve.
First Lt. William Preston Barnes, Jr., Dental Corps Reserve.

Capt. Donald Malcolm O'Hara, Dental Corps Reserve.
First Lt. Clare Thomas Budge, Dental Corps Reserve.
Capt. Willard LaGrand Nielsen, Dental Corps Reserve.
Capt. Robert Bruce Shira, Dental Corps Reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Everard Franklin Olsen, Coast Artillery Corps, with rank from August 1, 1935.

TO QUARTERMASTER CORPS

Capt. Robert Parker Hollis, Field Artillery, with rank from August 1, 1935.

TO ORDNANCE DEPARTMENT

First Lt. Charles Kissam Allen, Coast Artillery Corps, with rank from August 1, 1935.

TO FIELD ARTILLERY

First Lt. Clyde Lucken Jones, Infantry, with rank from June 13, 1936, effective June 16, 1938.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Eli Elmer Bennett, Coast Artillery Corps, from April 30, 1938.

Lt. Col. Stuart Chapin Godfrey, Corps of Engineers, from May 1, 1938.

Lt. Col. Francis Clark Harrington, Corps of Engineers, from May 1, 1938.

Lt. Col. Cleveland C. Gee, Corps of Engineers, from May 1, 1938.

TO BE LIEUTENANT COLONELS

Maj. John James Bohn, Cavalry, from April 30, 1938.

Maj. Charles Belding Oldfield, Air Corps (temporary lieutenant colonel, Air Corps), from May 1, 1938.

Maj. Carl J. Smith, Coast Artillery Corps, from May 1, 1938.

Maj. John Lawrence Dunn, Infantry, from May 1, 1938.

Maj. James Gregory Monihan, Cavalry, from May 1, 1938.

TO BE MAJORS

Capt. Albert Crofut Donovan, Field Artillery, from April 30, 1938.

Capt. John Robert Tighe, Quartermaster Corps, from May 1, 1938.

Capt. John Carl Green, Signal Corps, from May 1, 1938.

Capt. Carl Franklin Greene, Air Corps (temporary major, Air Corps), from May 1, 1938.

Capt. Eugene Ferry Smith, Judge Advocate General's Department, from May 1, 1938.

Capt. Philip Doddridge, Infantry, from May 1, 1938.

Capt. Chilion Farrar Wheeler, Air Corps (temporary major, Air Corps), from May 1, 1938.

Capt. Robert Francis Gill, Corps of Engineers, from May 2, 1938.

TO BE CAPTAIN WITH RANK FROM JUNE 5, 1938

First Lt. William Henderson Minter, Corps of Engineers.

TO BE CAPTAIN WITH RANK FROM JUNE 6, 1938

First Lt. Elmer Perry Rose, Air Corps.

TO BE CAPTAINS WITH RANK FROM JUNE 7, 1938

First Lt. John Adams Austin, Air Corps.
 First Lt. Ford J. Lauer, Air Corps.
 First Lt. Fay Oliver Dice, Air Corps.
 First Lt. Herbert Everett Rice, Air Corps.
 First Lt. Edward Harold Porter, Air Corps.
 First Lt. Joseph Hampton Atkinson, Air Corps.
 First Lt. Robert Leonard Schoenlein, Air Corps.
 First Lt. Frederick William Ott, Air Corps.
 First Lt. Wentworth Goss, Air Corps.
 First Lt. James Leslie Daniel, Jr., Air Corps.
 First Lt. Budd John Peaslee, Air Corps.
 First Lt. Vera H. Wiseman, Infantry.
 First Lt. John Franklin Egan, Air Corps.
 First Lt. Edgar Russell Todd, Air Corps.
 First Lt. Arthur LaSalle Smith, Air Corps.
 First Lt. Donald Dewey Arnold, Air Corps.
 First Lt. Clarence Thomas Mower, Air Corps.
 First Lt. Louie Percy Turner, Air Corps.

TO BE CAPTAINS WITH RANK FROM JUNE 9, 1938

First Lt. James Laffeter Green, Corps of Engineers.
 First Lt. Thomas Alphonsus Lane, Corps of Engineers.
 First Lt. Theodore Scott Riggs, Cavalry.
 First Lt. Frederick Jensen Dau, Corps of Engineers.
 First Lt. William Tell Hefley, Air Corps.
 First Lt. Roland Clough Brown, Corps of Engineers.
 First Lt. Samuel Roberts Browning, Corps of Engineers.
 First Lt. Lyle Edward Seeman, Corps of Engineers.
 First Lt. Raphael Brill Ezekiel, Corps of Engineers.
 First Lt. William Dixon Smith, Corps of Engineers.
 First Lt. Thomas Fraley Van Natta, 3d, Cavalry.
 First Lt. Robert Scott Israel, Jr., Air Corps.
 First Lt. David Andrew Watt, Jr., Cavalry.
 First Lt. Donald Bertrand Smith, Air Corps.
 First Lt. Rudolph Ethelbert Smyser, Jr., Corps of Engineers.
 First Lt. Francis Howard Falkner, Corps of Engineers.
 First Lt. Alan Johnstone McCutchen, Corps of Engineers.
 First Lt. David William Heiman, Corps of Engineers.
 First Lt. Robert John Fleming, Jr., Corps of Engineers.
 First Lt. David Peter Laubach, Air Corps.
 First Lt. Benjamin Smith Shute, Corps of Engineers.
 First Lt. William Everett Potter, Corps of Engineers.
 First Lt. Edmund Koehler Daley, Corps of Engineers.
 First Lt. William Joseph Matteson, Corps of Engineers.
 First Lt. Webster Anderson, Infantry.
 First Lt. James Elbert Briggs, Air Corps.
 First Lt. Harry Cromartie Kirby, Infantry.
 First Lt. John Stewart Mills, Air Corps.
 First Lt. George Morris Cole, Field Artillery.
 First Lt. Duncan Sloan Somerville, Field Artillery.
 First Lt. David William Traub, Field Artillery.
 First Lt. Thomas Jennings Wells, Infantry.
 First Lt. George Warren Mundy, Air Corps.
 First Lt. Alfred Rockwood Maxwell, Air Corps.
 First Lt. Paul Harold Johnston, Air Corps.
 First Lt. William Ross Currie, Infantry.
 First Lt. Peter Duryea Calyer, Infantry.
 First Lt. Walter Godley Donald, Ordnance Department.
 First Lt. Roscoe Charles Wilson, Air Corps.
 First Lt. Walter Edwin Todd, Air Corps.
 First Lt. William Henry Hennig, Coast Artillery Corps.
 First Lt. Bryant LeMaire Boatner, Air Corps.
 First Lt. Nathan Bedford Forrest, Air Corps.
 First Lt. Edward Murphy Markham, Jr., Corps of Engineers.
 First Lt. Dwight Lewis Mulkey, Signal Corps.
 First Lt. Robert Frederick Tate, Air Corps.
 First Lt. Church Myall Matthews, Field Artillery.
 First Lt. Richard Jerome Handy, Field Artillery.
 First Lt. Samuel Robert Brentnall, Air Corps.
 First Lt. John Blanchard Grinstead, Infantry.
 First Lt. John Paul Breden, Cavalry.
 First Lt. Harvey Weston Wilkinson, Field Artillery.

First Lt. Clayton John Mansfield, Cavalry.
 First Lt. Walter Edgerton Johns, Field Artillery.
 First Lt. Charles Franklin Born, Air Corps.
 First Lt. Daniel McCoy Wilson, Coast Artillery Corps.
 First Lt. Frank Fort Everest, Jr., Air Corps.
 First Lt. Frank Quincy Goodell, Field Artillery.
 First Lt. Garrison Barkley Coverdale, Field Artillery.
 First Lt. Leslie Haynes Wyman, Field Artillery.
 First Lt. John Jordan Morrow, Air Corps.
 First Lt. Mercer Christie Walter, Field Artillery.
 First Lt. Theodore John Dayharsh, Coast Artillery Corps.
 First Lt. Frank Jerdone Coleman, Air Corps.
 First Lt. Thomas Joseph Brennan, Jr., Cavalry.
 First Lt. Robert Loyal Easton, Air Corps.
 First Lt. Elmer Briant Thayer, Field Artillery.
 First Lt. James Stewart Neary, Ordnance Department.
 First Lt. John Benjamin Allen, Signal Corps.
 First Lt. Norris Brown Harbold, Air Corps.
 First Lt. John Cogswell Oakes, Field Artillery.
 First Lt. Leslie George Ross, Coast Artillery Corps.
 First Lt. George Raymond Bienfang, Air Corps.
 First Lt. Roger Woodhull Goldsmith, Field Artillery.
 First Lt. Russell Alger Wilson, Air Corps.
 First Lt. David Raymond Gibbs, Air Corps.
 First Lt. Charles Grant Goodrich, Air Corps.
 First Lt. Elmo Stewart Mathews, Signal Corps.
 First Lt. Paul Amos Gavan, Field Artillery.
 First Lt. Leroy Cullom Davis, Field Artillery.
 First Lt. Alvord Van Patten Anderson, Jr., Air Corps.
 First Lt. John Honeycutt Hinrichs, Ordnance Department.
 First Lt. Frederick Lewis Anderson, Jr., Air Corps, subject to examination required by law.
 First Lt. Marion George Pohl, Coast Artillery Corps.
 First Lt. John Archibald Sawyer, Coast Artillery Corps.
 First Lt. John Southworth Upham, Jr., Infantry.
 First Lt. Thayer Stevens Olds, Air Corps.
 First Lt. Samuel Leslie Myers, Cavalry.
 First Lt. Robert Albert Howard, Jr., Infantry.
 First Lt. Thomas Joseph Counihan, Field Artillery.
 First Lt. Ephraim Hester McLemore, Field Artillery.
 First Lt. James Easton Holley, Field Artillery.
 First Lt. Frederick G. Stritzinger, 4th, Field Artillery.
 First Lt. Robert Falligant Travis, Air Corps.
 First Lt. John Dabney Billingsley, Ordnance Department.
 First Lt. Thomas Joseph Cody, Signal Corps.
 First Lt. Robert George Butler, Jr., Ordnance Department.
 First Lt. Carl Herman Sturies, Signal Corps.
 First Lt. Joseph Anthony Michela, Cavalry.
 First Lt. John Bourke Daly, Field Artillery.
 First Lt. William Henry Tunner, Air Corps.
 First Lt. Robert Tryon Frederick, Coast Artillery Corps.
 First Lt. Ralph Edward Koon, Air Corps.
 First Lt. Verdi Beethoven Barnes, Field Artillery.
 First Lt. Howard Graham Bunker, Air Corps.
 First Lt. Edward Cassel Reber, Ordnance Department.
 First Lt. Henry Leo Flood, Infantry.
 First Lt. Allison Richard Hartman, Coast Artillery Corps.
 First Lt. Stuart Glover McLennan, Air Corps.
 First Lt. John Alexander Samford, Air Corps.
 First Lt. Douglas Glen Ludlam, Ordnance Department.
 First Lt. Legare Kilgore Tarrant, Coast Artillery Corps.
 First Lt. Harry Warren Halterman, Infantry.
 First Lt. William Mattingly Breckinridge, Infantry.
 First Lt. Arthur Richard Thomas, Coast Artillery Corps.
 First Lt. Madison Clinton Schepps, Infantry.
 First Lt. James Lowman Hathaway, Cavalry.
 First Lt. Douglas Crevier McNair, Field Artillery.
 First Lt. Fred Obediah Tally, Air Corps.
 First Lt. Walter Emerson Finnegan, Cavalry.
 First Lt. Russell Blair, Infantry.
 First Lt. Charles Ralph Pinkerton, Ordnance Department.
 First Lt. Edwin Augustus Cummings, Infantry.
 First Lt. Powhatan Moncreaf Morton, Cavalry.
 First Lt. Lionel Charles McGarr, Infantry.
 First Lt. James Melvin Lamont, Infantry.

First Lt. Montgomery Breck Raymond, Coast Artillery Corps.

First Lt. Noble James Wiley, Jr., Infantry.
 First Lt. Wilhelm Paul Johnson, Infantry.
 First Lt. Roger Maxwell Ramey, Air Corps.
 First Lt. Horace Lincoln Beall, Jr., Infantry.
 First Lt. Carl Ferdinand Fritzsche, Infantry.
 First Lt. John Peter Doidge, Infantry.
 First Lt. Forrest Gordon Allen, Air Corps.
 First Lt. Leigh Austin Fuller, Infantry.
 First Lt. John Thomas Murtha, Jr., Air Corps.
 First Lt. Ralph Joseph Butchers, Infantry.
 First Lt. John Severin Knudsen, Finance Department.
 First Lt. Samuel Egbert Anderson, Air Corps.
 First Lt. Everett Davenport Peddicord, Coast Artillery Corps.

First Lt. James Gallagher Bain, Coast Artillery Corps.
 First Lt. August William Schermacher, Coast Artillery Corps.

First Lt. Robert Franklin Tomlin, Coast Artillery Corps.
 First Lt. Louis Test Vickers, Coast Artillery Corps.
 First Lt. Joseph Arthur Bulger, Air Corps.
 First Lt. Kilbourne Johnston, Infantry.
 First Lt. Robert Bernard Beattie, Infantry.
 First Lt. Ralph Harold Sievers, Quartermaster Corps.
 First Lt. John Raymond Gilchrist, Finance Department.
 First Lt. Frank Rudolph Maerdian, Infantry.
 First Lt. George Francis Will, Infantry.
 First Lt. George Ferrow Smith, Air Corps.
 First Lt. Allen Wilson Reed, Air Corps.
 First Lt. Arthur William Meehan, Air Corps.
 First Lt. Frank Leonard Bock, Infantry.
 First Lt. Thomas Joseph Moran, Infantry.
 First Lt. James Elmer Totten, Infantry.
 First Lt. Truman Hempel Landon, Air Corps.
 First Lt. Charles Frank Howard, Infantry.
 First Lt. Hampden Eugene Montgomery, Infantry.
 First Lt. Elmer Wentworth Gude, Infantry.
 First Lt. Maurice Clinton Bisson, Air Corps.
 First Lt. Harry Edgar Wilson, Air Corps.
 First Lt. Charles Bowler King, Infantry.
 First Lt. Robert Williams Warren, Air Corps.
 First Lt. John Francis Wadman, Air Corps.
 First Lt. Delmar Taft Spivey, Air Corps.
 First Lt. Maury Spotswood Crallé, Infantry.
 First Lt. Ramon Antonio Nadal, Infantry.
 First Lt. Carroll Huston Prunty, Cavalry.
 First Lt. August Walter Kissner, Air Corps.
 First Lt. Edgar Elliott Enger, Infantry.
 First Lt. LaVerne George Saunders, Air Corps.
 First Lt. Tito George Moscatelli, Infantry.
 First Lt. Louis Russell Delmonico, Infantry.
 First Lt. George Henry Lawrence, Infantry.
 First Lt. George Clinton Willette, Infantry.
 First Lt. Francis Henry Boos, Infantry.
 First Lt. Gaulden McIntosh Watkins, Infantry.
 First Lt. Thomas Lilley Sherburne, Jr., Field Artillery.
 First Lt. John Francis Farra, Jr., Infantry.
 First Lt. Stanhope Brasfield Mason, Infantry.
 First Lt. Eugene Thomas Lewis, Infantry.
 First Lt. Allen Thayer, Infantry.
 First Lt. Emmett O'Donnell, Jr., Air Corps.
 First Lt. John Oliver Williams, Infantry.
 First Lt. Richard Wetherill, Jr., Infantry.
 First Lt. Donald Winston Titus, Air Corps.
 First Lt. Emmett Felix Yost, Air Corps.
 First Lt. Alfred Henry Parham, Infantry.
 First Lt. James William Lockett, Infantry.
 First Lt. Paul DeWitt Adams, Infantry.
 First Lt. Evan McLaren Houseman, Infantry.
 First Lt. Ralph Thomas Nelson, Infantry.
 First Lt. Robert Kinder Taylor, Air Corps.
 First Lt. James Morrow Ivy, Infantry.
 First Lt. William Grant Caldwell, Infantry.

First Lt. William Thomas Moore, Infantry.
 First Lt. Paul Jones Mitchell, Infantry.
 First Lt. Alfred Benjamin Denniston, Quartermaster Corps.

First Lt. James Wilson Brown, Jr., Air Corps.
 First Lt. William Columbus Sams, Air Corps.
 First Lt. Robert Harper Kelly, Air Corps.
 First Lt. Joseph Franklin Trent, Field Artillery.
 First Lt. Edward Felix Shepherd, Quartermaster Corps.
 First Lt. Andrew Thomas McNamara, Quartermaster Corps.
 First Lt. Thomas Mason Tarpley, Jr., Infantry.
 First Lt. James Francis Olive, Jr., Air Corps.
 First Lt. Edgar Alexander Sirmyer, Jr., Air Corps.
 First Lt. Thomas Webster Steed, Air Corps.
 First Lt. Paul Elliott MacLaughlin, Infantry.

TO BE FIRST LIEUTENANTS WITH RANK FROM JUNE 12, 1938

Second Lt. John Drake Bristor, Corps of Engineers.
 Second Lt. Donald Abeel Phelan, Corps of Engineers.
 Second Lt. Aaron Evan Harris, Corps of Engineers.
 Second Lt. David Hamilton Gregg, Corps of Engineers.
 Second Lt. Albert Joseph Shower, Air Corps.
 Second Lt. David Campbell Wallace, Field Artillery.
 Second Lt. Arthur Houston Frye, Jr., Corps of Engineers.
 Second Lt. Herbert Caran Gee, Corps of Engineers.
 Second Lt. Jack Wallis Hickman, Air Corps.
 Second Lt. Donald Allen Elliget, Corps of Engineers.
 Second Lt. Clyde Calhoun Zeigler, Corps of Engineers.
 Second Lt. Leighton Ira Davis, Air Corps.
 Second Lt. Charles Bernard Rynearson, Corps of Engineers.

Second Lt. Oliver Joseph Pickard, Corps of Engineers.
 Second Lt. John Blackwell Davenport, Jr., Corps of Engineers.

Second Lt. Otto Jacob Rohde, Corps of Engineers.
 Second Lt. John Somers Buist Dick, Corps of Engineers.
 Second Lt. William Winston Lapsley, Corps of Engineers.
 Second Lt. James DeVore Lang, Corps of Engineers.
 Second Lt. George Rosse Smith, Air Corps.
 Second Lt. Charles Jephthiah Jeffus, Corps of Engineers.
 Second Lt. Henry Lewis Hille, Jr., Corps of Engineers.
 Second Lt. John Lathrop Throckmorton, Infantry.
 Second Lt. George Ruhlen, Field Artillery.
 Second Lt. Cornelis DeWitt Willcox Lang, Field Artillery.
 Second Lt. John Richards Parker, Corps of Engineers.
 Second Lt. Clarence Carl Haug, Corps of Engineers.
 Second Lt. John Sutton Growdon, Cavalry.
 Second Lt. John Joseph Duffy, Field Artillery.
 Second Lt. Warren Sylvester Everett, Corps of Engineers.
 Second Lt. Carl Watkins Miller, Field Artillery.
 Second Lt. Salvatore Andrew Armogida, Corps of Engineers.

Second Lt. William Paulding Grieves, Field Artillery.
 Second Lt. Stanley Tage Birger Johnson, Corps of Engineers.

Second Lt. James Van Gorder Wilson, Air Corps.
 Second Lt. Frank Alexander Osmanski, Field Artillery.
 Second Lt. Bernard Sanders Waterman, Coast Artillery Corps.

Second Lt. Frederick Benjamin Hall, Jr., Corps of Engineers.

Second Lt. Langfitt Bowditch Wilby, Corps of Engineers.
 Second Lt. John Dudley Cole, Jr., Corps of Engineers.
 Second Lt. George Raymond Wilkins, Coast Artillery Corps.
 Second Lt. Harry James Lewis, Signal Corps.
 Second Lt. Elmer John Koehler, Field Artillery.
 Second Lt. Charles Albert Symroski, Field Artillery.
 Second Lt. Henry Chaffee Thayer, Infantry.
 Second Lt. James Yeates Adams, Infantry.
 Second Lt. Harry Jacob Lemley, Jr., Field Artillery.
 Second Lt. Duncan Sinclair, Field Artillery.
 Second Lt. John Kimball Brown, Jr., Air Corps.
 Second Lt. Geoffrey Dixon Ellerson, Field Artillery.

- Second Lt. Robert Morris Stillman, Air Corps.
 Second Lt. Ray Allen Pillivant, Coast Artillery Corps.
 Second Lt. William Henry Brearley, Jr., Infantry.
 Second Lt. Ellery Willis Niles, Corps of Engineers.
 Second Lt. George Blackburne, Field Artillery.
 Second Lt. Robert Rigby Glass, Infantry.
 Second Lt. George Stafford Eckhardt, Field Artillery.
 Second Lt. Richard Elmer Ellsworth, Air Corps.
 Second Lt. Alvin Dolliver Robbins, Coast Artillery Corps.
 Second Lt. Sidney George Spring, Corps of Engineers.
 Second Lt. Edward Stephen Bechtold, Field Artillery.
 Second Lt. Seth Lathrop Weld, Jr., Coast Artillery Corps.
 Second Lt. Harry John Harrison, Coast Artillery Corps.
 Second Lt. Ivan Clare Rumsey, Corps of Engineers.
 Second Lt. Raymond William Sumi, Air Corps.
 Second Lt. Daniel John Murphy, Field Artillery.
 Second Lt. Clarence Bidgood, Corps of Engineers.
 Second Lt. Walter Albert Simpson, Signal Corps.
 Second Lt. Edward Gray, Field Artillery.
 Second Lt. Hugh McClellan Exton, Field Artillery.
 Second Lt. Durward Ellsworth Breakefield, Field Artillery.
 Second Lt. Sanford Welsh Horstman, Field Artillery.
 Second Lt. Kelso Gordon Clow, Cavalry.
 Second Lt. Harry Herndon Critz, Field Artillery.
 Second Lt. Henry Porter van Ormer, Coast Artillery Corps.
 Second Lt. Clifford Wellington Hildebrandt, Coast Artillery Corps.
- Second Lt. Edward Kraus, Field Artillery.
 Second Lt. Kenneth Irwin Curtis, Coast Artillery Corps.
 Second Lt. Joseph Charles Moore, Coast Artillery Corps.
 Second Lt. Earl Leo Barr, Field Artillery.
 Second Lt. John Alexis Gloriod, Field Artillery.
 Second Lt. Nathaniel Macon Martin, Corps of Engineers.
 Second Lt. Joseph Gordon Russell, Air Corps.
 Second Lt. Salathiel Fred Cummings, Jr., Infantry.
 Second Lt. James Martin Worthington, Field Artillery.
 Second Lt. James Michael Donohue, Coast Artillery Corps.
 Second Lt. Robert Clarence McDonald, Jr., Field Artillery.
 Second Lt. Joseph Waters Keating, Field Artillery.
 Second Lt. Halford Robert Greenlee, Jr., Coast Artillery Corps.
- Second Lt. Kenneth Paul Bergquist, Air Corps.
 Second Lt. John Newton Wilson, Field Artillery.
 Second Lt. Richard Marvin Bauer, Cavalry.
 Second Lt. Lawrence Robert St. John, Field Artillery.
 Second Lt. Gerald Frederick Brown, Field Artillery.
 Second Lt. Willard George Root, Coast Artillery Corps.
 Second Lt. Robert Van Roo, Field Artillery.
 Second Lt. Arthur Allison Fickel, Air Corps.
 Second Lt. Charles Maclean Peeke, Field Artillery.
 Second Lt. Horace Wilson Hinkle, Infantry.
 Second Lt. Raymond Boyd Firehock, Field Artillery.
 Second Lt. Downs Eugene Ingram, Air Corps.
 Second Lt. Milton Lawrence Rosen, Infantry.
 Second Lt. Edgar Allan Clarke, Field Artillery.
 Second Lt. James Mobley Kimbrough, Jr., Signal Corps.
 Second Lt. John Ralph Wright, Jr., Infantry.
 Second Lt. Harrison Barnwell Harden, Jr., Field Artillery.
 Second Lt. Edward Moseley Harris, Infantry.
 Second Lt. Carl Mosby Parks, Air Corps.
 Second Lt. James Luke Frink, Jr., Field Artillery.
 Second Lt. Elmer John Gibson, Field Artillery.
 Second Lt. Julius Desmond Stanton, Infantry.
 Second Lt. James Howard Walsh, Air Corps.
 Second Lt. Walter Joseph Bryde, Field Artillery.
 Second Lt. Thomas Washington Woodyard, Jr., Infantry.
 Second Lt. Stuart Gilbert Fries, Infantry.
 Second Lt. Harry Rich Hale, Coast Artillery Corps.
 Second Lt. Charles Frederick Leonard, Jr., Infantry.
 Second Lt. James Frank Skells, Infantry.
 Second Lt. Eugene Nall, Cavalry.
 Second Lt. Willis Fred Chapman, Air Corps.
 Second Lt. Seneca Wilbur Foote, Coast Artillery Corps.
 Second Lt. James Willoughby Totten, Field Artillery.
- Second Lt. William Henderson Baynes, Coast Artillery Corps.
 Second Lt. Eugene Henry Walter, Coast Artillery Corps.
 Second Lt. Norman Arthur Loeb, Cavalry.
 Second Lt. Albert Curtis Wells, Jr., Infantry.
 Second Lt. Russell Melroy Miner, Coast Artillery Corps.
 Second Lt. John Nevin Howell, Coast Artillery Corps.
 Second Lt. John Mason Kemper, Infantry.
 Second Lt. Maynard Denzil Pedersen, Cavalry.
 Second Lt. Hamilton Austin Twitchell, Infantry.
 Second Lt. Russell Eugene Nicholls, Signal Corps.
 Second Lt. Thomas Wildes, Air Corps.
 Second Lt. Alfred Ashman, Coast Artillery Corps.
 Second Lt. Aaron Warner Tyer, Air Corps.
 Second Lt. James Dyce Alger, Cavalry.
 Second Lt. Ralph Edward Haines, Jr., Cavalry.
 Second Lt. Franklin Bell Reybold, Coast Artillery Corps.
 Second Lt. Ewing Chase Johnson, Cavalry.
 Second Lt. Robert Monroe Hardy, Coast Artillery Corps.
 Second Lt. Francis Johnstone Murdoch, Jr., Cavalry.
 Second Lt. Pennock Hoyt Wollaston, Coast Artillery Corps.
 Second Lt. German Pierce Culver, Air Corps.
 Second Lt. Carl Theodore Isham, Infantry.
 Second Lt. Francis Mark McGoldrick, Coast Artillery Corps.
- Second Lt. Wilhelm Cunliffe Freudenthal, Air Corps.
 Second Lt. John Alfrey, Coast Artillery Corps.
 Second Lt. Joseph Rieber Russ, Infantry.
 Second Lt. John Henry Dilley, Infantry.
 Second Lt. Kermit Richard Schweidel, Coast Artillery Corps.
- Second Lt. Eugene Charles Orth, Jr., Infantry.
 Second Lt. Thomas Duncan Gillis, Cavalry.
 Second Lt. Autrey Joseph Maroun, Infantry.
 Second Lt. Milton Clay Taylor, Infantry.
 Second Lt. George Frederick Marshall, Infantry.
 Second Lt. Robert Morris, Coast Artillery Corps.
 Second Lt. Joseph Cobb Stancock, Infantry.
 Second Lt. John Brown Morgan, Coast Artillery Corps.
 Second Lt. William Robert Murrin, Coast Artillery Corps.
 Second Lt. Joseph Henry Wiechmann, Infantry.
 Second Lt. John Foster Rhoades, Cavalry.
 Second Lt. Richard Carlton Boys, Coast Artillery Corps.
 Second Lt. George Robert Oglesby, Chemical Warfare Service.
- Second Lt. John Calvin Stapleton, Infantry.
 Second Lt. William Vincent Martz, Cavalry.
 Second Lt. Robert Edward Frith, Jr., Coast Artillery Corps.
 Second Lt. Norman Arvid Skinrood, Coast Artillery Corps.
 Second Lt. Noel Maurice Cox, Infantry.
 Second Lt. Joseph Crook Anderson, Infantry.
 Second Lt. John Hart Caughey, Infantry.
 Second Lt. Lawrence Edward Schlanser, Cavalry.
 Second Lt. Edwin Major Smith, Infantry.
 Second Lt. Henry Thomas Cherry, Jr., Cavalry.
 Second Lt. LeRoy William Austin, Infantry.
 Second Lt. Charles Jordan Daly, Air Corps.
 Second Lt. Samuel Cummings Mitchell, Air Corps.
 Second Lt. Edgar Joseph Treacy, Jr., Cavalry.
 Second Lt. Paul Montgomery Jones, Cavalry.
 Second Lt. Reuben Henry Tucker, 3d, Infantry.
 Second Lt. William Genier Proctor, Infantry.
 Second Lt. Lamont Saxton, Air Corps.
 Second Lt. Caesar Frank Fiore, Cavalry.
 Second Lt. Elmer Hardie Walker, Infantry.
 Second Lt. Clair Beverly Mitchell, Infantry.
 Second Lt. John Williamson, Infantry.
 Second Lt. John Pearson Sherden, Jr., Infantry.
 Second Lt. Jack Jones Richardson, Infantry.
 Second Lt. Charles Phelps Walker, Cavalry.
 Second Lt. Louis Duzzette Farnsworth, Jr., Infantry.
 Second Lt. Charles Joseph Hoy, Cavalry.
 Second Lt. Vernon Price Mock, Cavalry.
 Second Lt. John Allen Beall, Jr., Infantry.

Second Lt. Lamar Fenn Woodward, Infantry.
 Second Lt. Orin Houston Moore, Infantry.
 Second Lt. Charles Wythe Gleaves Rich, Infantry.
 Second Lt. Donald William Bernier, Infantry.
 Second Lt. Harvey Bower, Infantry.
 Second Lt. Allen Harvey Foreman, Infantry.
 Second Lt. Wilson Dudley Coleman, Infantry.
 Second Lt. Floyd Garfield Pratt, Infantry.
 Second Lt. Thomas Ceborn Musgrave, Jr., Air Corps.
 Second Lt. Glenn Cole, Infantry.
 Second Lt. Edward William Sawyer, Cavalry.
 Second Lt. William Lee Herold, Infantry.
 Second Lt. William Bradford Means, Infantry.
 Second Lt. John Eidell Slaughter, Infantry.
 Second Lt. Robert Gibson Sherrard, Jr., Infantry.
 Second Lt. John Alfred Metcalfe, Infantry.
 Second Lt. Andrew Jackson Boyle, Cavalry.
 Second Lt. Stephen Disbrow Cocheu, Infantry.
 Second Lt. John Neiger, Infantry.
 Second Lt. Thomas Joseph Gent, Jr., Air Corps.
 Second Lt. Albert Ambrose Matyas, Cavalry.
 Second Lt. Benjamin Walker Hawes, Infantry.
 Second Lt. Benjamin White Heckemeyer, Cavalry.
 Second Lt. Nassieb George Bassitt, Infantry.
 Second Lt. Ducat McEntee, Infantry.
 Second Lt. William Robert Patterson, Infantry.
 Second Lt. Oscar Rawles Bowyer, Infantry.
 Second Lt. John James Davis, Cavalry.
 Second Lt. Norman Basil Edwards, Infantry.
 Second Lt. Pelham Davis Glassford, Jr., Air Corps.
 Second Lt. Robert Eugene Tucker, Infantry.
 Second Lt. Herbert Frank Batcheller, Infantry.
 Second Lt. Robert Hollis Strauss, Field Artillery.
 Second Lt. Maurice Monroe Simons, Air Corps.
 Second Lt. Richard Cathcart Hopkins, Infantry.
 Second Lt. Alfred Kirk duMoulin, Infantry.
 Second Lt. Walter Edward Bare, Jr., Infantry.
 Second Lt. Ralph Shaffer Harper, Cavalry.
 Second Lt. Paul James Bryer, Infantry.
 Second Lt. Raymond Clarence Adkisson, Infantry.
 Second Lt. Emerson Oliver Liessman, Infantry.
 Second Lt. Burnis Mayo Kelly, Infantry.
 Second Lt. Lester Lewes Wheeler, Infantry.
 Second Lt. Carmon Ambrose Rogers, Infantry.
 Second Lt. Russell Batch Smith, Infantry.
 Second Lt. Marcus Samuel Griffin, Infantry.
 Second Lt. James George Balluff, Infantry.
 Second Lt. Richard Hayden Agnew, Infantry.
 Second Lt. Francis Regis Herald, Infantry.
 Second Lt. John Leroy Thomas, Infantry.
 Second Lt. George Brendan O'Connor, Infantry.
 Second Lt. Russell Lynn Hawkins, Infantry.
 Second Lt. Eric Per Ramee, Infantry.
 Second Lt. Edwin Hood Ferris, Infantry.
 Second Lt. Jack Roberts, Air Corps.
 Second Lt. Robert Middleton Booth, Infantry.
 Second Lt. George Madison Jones, Infantry.
 Second Lt. David Albaugh DeArmond, Infantry.
 Second Lt. Rives Owens Booth, Infantry.
 Second Lt. Wilson Larzelere Burley, Jr., Infantry.
 Second Lt. James Louis McGehee, Infantry.
 Second Lt. Walter Albert Riemenschneider, Infantry.
 Second Lt. William Pierce O'Neal, Jr., Infantry.
 Second Lt. George Place Hill, Jr., Infantry.
 Second Lt. Melville Brown Coburn, Infantry.
 Second Lt. Alvin Louis Mente, Jr., Infantry.
 Second Lt. Harry Franklin Sellers, Infantry.
 Second Lt. David Bonesteel Stone, Infantry.
 Second Lt. Roland Joseph Rutte, Infantry.
 Second Lt. Glenn Curtis Thompson, Air Corps.
 Second Lt. Samuel Barcus Knowles, Jr., Air Corps.
 Second Lt. James Baird Buck, Infantry.
 Second Lt. Ralph Osborn Lashley, Infantry.
 Second Lt. Thomas Robert Clarkin, Infantry.

Second Lt. John Pope Blackshear, Infantry.
 Second Lt. John Trueheart Mosby, Infantry.

TO BE FIRST LIEUTENANTS WITH RANK FROM JUNE 30, 1938

Second Lt. Ray Willard Clifton, Air Corps.
 Second Lt. Randolph Lowry Wood, Air Corps.
 Second Lt. Arnold Theodore Johnson, Air Corps.
 Second Lt. Marvin Frederick Stalder, Air Corps.
 Second Lt. Noel Francis Parrish, Air Corps.
 Second Lt. Dolf Edward Muehleisen, Air Corps.
 Second Lt. Carl Swyter, Air Corps.
 Second Lt. Richard Cole Weller, Air Corps.
 Second Lt. Edward Morris Gavin, Air Corps.
 Second Lt. Robert Edward Jarmon, Air Corps.
 Second Lt. Harry Crutcher, Jr., Air Corps.
 Second Lt. Jack Mason Malone, Air Corps.
 Second Lt. Frank Neff Moyers, Air Corps.
 Second Lt. Edward Schwartz Allee, Air Corps.
 Second Lt. Harry Noon Renshaw, Air Corps.
 Second Lt. Joseph Bynum Stanley, Air Corps.
 Second Lt. Thomas Frederick Langben, Air Corps.
 Second Lt. Clarence Morice Sartain, Air Corps.
 Second Lt. James Hughes Price, Air Corps.
 Second Lt. Joseph Caruthers Moore, Air Corps.
 Second Lt. Lawrence Scott Fulwider, Air Corps.
 Second Lt. Lester Stanford Harris, Air Corps.
 Second Lt. Donald Newman Wackwitz, Air Corps.
 Second Lt. James Hume Crain Houston, Air Corps.
 Second Lt. Charles Henry Leitner, Jr., Air Corps.
 Second Lt. Clair Lawrence Wood, Air Corps.
 Second Lt. Charles Bennett Harvin, Air Corps.
 Second Lt. George Henry Macintyre, Air Corps.
 Second Lt. Bob Arnold, Air Corps.
 Second Lt. Burton Wilnot Armstrong, Jr., Air Corps.
 Second Lt. Mell Manley Stephenson, Jr., Air Corps.
 Second Lt. Harold Lee Neely, Air Corps.
 Second Lt. Erickson Snowden Nichols, Air Corps.
 Second Lt. Jasper Newton Bell, Air Corps.
 Second Lt. Russell Lee Waldron, Air Corps.
 Second Lt. William Foster Day, Jr., Air Corps.
 Second Lt. Harry Coursey, Air Corps.
 Second Lt. Daniel Edwin Hooks, Air Corps.
 Second Lt. Raymond Patten Todd, Air Corps.

APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS

TO BE MAJOR

Captain Roland Birnn, Air Corps, from May 1, 1938.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

Brig. Gen. Robert Olando Whiteaker, Texas National Guard, to be brigadier general, National Guard of the United States.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

Brig. Gen. James Sumner Jones, Adjutant General's Department Reserve, to be brigadier general, Adjutant General's Department Reserve, to date from July 17, 1938.

PROMOTIONS IN THE NAVY

Capt. Royal E. Ingersoll to be a rear admiral in the Navy, to rank from the 1st day of May 1938.

Comdr. Alger H. Dresel to be a captain in the Navy, to rank from the 1st day of May 1938.

Lt. Comdr. Jacob H. Jacobson to be a commander in the Navy, to rank from the 1st day of May 1938.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

James D. L. Grant, December 1, 1937.

James E. Kyes, December 1, 1937.

Warren H. McClain, December 1, 1937.

John B. Gragg, December 1, 1937.

Robert H. Taylor, January 1, 1938.

Edgar J. MacGregor, 3d, January 1, 1938.

Parke H. Brady, January 11, 1938.

Everett O. Rigsbee, Jr., February 3, 1938.

John A. Moreno, February 3, 1938.

John F. Tatom, February 3, 1938.

John H. Armstrong, Jr., March 1, 1938.

Louis D. McGregor, Jr., March 26, 1938.

Rowland C. Lawver, March 31, 1938.

Ray E. Malpass, April 1, 1938.

George G. Palmer, April 1, 1938.

Joseph B. H. Young, April 30, 1938.

Radio Electrician Kirke G. Schnoor to be a chief radio electrician in the Navy, to rank with but after ensign, from the 15th day of November 1936.

Capt. Ormond L. Cox, an additional number in grade, to be a rear admiral in the Navy, to rank from the 1st day of May 1938.

Surgeon George B. Dowling to be a medical inspector in the Navy, with the rank of commander, to rank from the 1st day of July 1937.

The following-named paymasters to be pay inspectors in the Navy with the rank of commander, to rank from the 1st day of September 1937:

Raymond M. Bright.

John Flynn.

The following-named naval constructors to be naval constructors in the Navy with the rank of commander, to rank from the 30th day of June 1936:

Douglas W. Coe

William J. Malone

Ralph S. McDowell

John D. Crecca

William C. Wade

The following-named naval constructors to be naval constructors in the Navy with the rank of commander, to rank from the 1st day of June 1937:

William R. Nichols

Paul W. Hains

Thomas P. Wynkoop

The following-named midshipmen to be ensigns in the Navy, to rank from the 2d day of June 1938:

Jamie Adair

Benjamin C. Adams

Charles O'N. Akers

Raymond W. Alexander

Lodwick H. Alford

Eric Allen, Jr.

Robert M. Allison

Charles A. Anderson

Edward L. Anderson

James G. Andrews

Robert J. Antrim

Charles S. Arthur, Jr.

Evan P. Aurand

Oliver W. Bagby, Jr.

Elward F. Baldridge

Daniel A. Ball

Frederic A. Bardshar

Edwin T. Barrett

John A. Bartol

Harry B. Bass

John F. Bauer

Henry L. Beardsley

James H. Beeman

Paul L. Benthin

Howard B. Berry, Jr.

Raymond Berthrong

Philip A. Beshany

Joe L. Bettinger, Jr.

Robert G. Bidwell

John E. Black

John T. Bland, 3d

Eugene R. Blandin

William G. Blasdel

Robert P. Blauvelt

Louis K. Bliss

Frank L. Bogart

John A. Bogley

Cecil A. Bolam

James A. Boorman, Jr.

Strong Boozer

Wilton G. Bourland

John M. Bowers

Richard H. Bowers

Gideon M. Boyd

James A. Boyd

William H. S. Brady

James E. Brenner, Jr.

Irwin T. Brooks

Charles D. Brown

Frederick W. Brown, Jr.

John R. Brown

Kenneth S. Brown

William G. Brown

Edward J. Bryant

Marion H. Buaas

George C. Bullard

Andrew L. Burgess

John Burkhardt, Jr.

John C. Burrill

William J. Bush

Mitchell F. Buszek

Robert B. Byrnes

Robert G. Bywater

Charles R. Calhoun

Cornelius P. Callahan, Jr.

Freeland H. Carde, Jr.

Robert W. Carter

Frank D. Case, Jr.

John J. Cassidy, Jr.

Albert T. Church, Jr.

Alto B. Clark

Howard F. Clark

Ernest D. Cody

Abe F. Cohen

David B. Cohen

Gene Collison

William J. Collum, Jr.

Edward E. Conrad

Homer E. Conrad

William R. Cook

James S. Cooley

Charles D. Cooper

Asbury Coward

Robert D. Cox, Jr.

Wilson H. Cranford

Richard G. Crommelin

Robert E. Cutts

John E. Dacey

George F. Dalton

John S. Dalton

James W. Danforth

George S. Daunis

Louis E. De Camp

Henry H. de Laureal

Willis R. Denekas

Frederick G. Dierman

William H. Dimmick

James Douglas

Raymond F. DuBois

Marion W. Dufilho

Carl R. Dwyer

Victor A. Dybdal

Lawrence D. Earle

John C. Eckhardt, Jr.

Dennett K. Ela

Joe C. Eliot

James F. Ellis, Jr.

John L. Erickson

Leon S. Eubanks

John T. Eversole

Claude S. Farmer

Wells C. Felts

John B. Ferriter

Irwin F. Pike

Richard V. Fincher

William S. Finn

Howard P. Fischer

Joseph P. Fitz-Patrick

Robert C. Fletcher

Harry J. P. Foley, Jr.

Thomas M. Foster

Irvin J. Frankel

Joseph W. Frorath

Norman E. Fryer, Jr.

Clark H. Fuller, Jr.

Edmundo Gandia

Bricker McD. Ganyard

Floyd B. Garrett, Jr.

Charles R. Gebhardt

Robert C. Giffen, Jr.

Hurlbut E. Gillmor

James B. Ginn

William R. Glennon

Charles V. Gordon

Victor B. Graff

Herbert S. Graves

Roy E. Green, Jr.

Phillip E. Greenwood

Theodore A. Grell

Guy F. Gugliotta

Timothy J. Guinan

Ira F. Haddock

John L. Haines

Preston B. Haines, Jr.

Roy O. Hale, Jr.

David P. Hall

Donald W. Hamilton, Jr.

Harold S. Hamlin, Jr.

Keene G. Hammond

Richard S. Harlan

Leonard E. Harmon

Myles F. Harr

Daniel J. Harrington, 3d

David L. Harris

Charles S. Hart

Charles C. Hartigan, Jr.

Morton Harvey

Henry T. Haselton

William A. Hasler, Jr.

Hamilton O. Hauck

John E. Hausman

Richard M. Hayes

Vernon R. Hayes

Russell H. Hedgecock

Daniel E. Henry

Walter A. Hering

Grant S. Heston

John Hilton, Jr.

Gerald G. Hinman

Robert C. Hoffman

Cleon J. Holden

Albert F. Hollingsworth

Alan J. Holmes

Carl B. A. Holmstrom

Charles H. Holt

Harrison H. Holton

Curtis W. Howard

Harry E. Howell

Rhonald J. Hoyle

Emery H. Huff

William R. Hunnicutt, Jr.

Samuel H. Hunter, Jr.

Francis H. Huron

David N. Inbusch

Thomas R. Ingham

William T. Ingham, 2d

Robert K. Irvine

John C. Isham

Andrew D. Jackson, Jr.

Henry S. Jackson

Robert L. Jackson

Arnold E. Jakel

Edward B. Jarman

William F. Jennings

Leo R. Jensen

Arthur F. Johnson

Charles R. Johnson

Cecil V. Johnson

Lauren E. Johnson

Richard E. Johnson

Frank C. Jones

Jep "C" Jonson

Alan R. Josephson

Herbert R. Kabat

John C. Kelley

Monroe Kelly, Jr.

Edgar J. Kemp, Jr.

Robert M. Kercheval

Charles J. King

William L. Kitch

William M. Klee

Norman J. Kleiss

Randolph Klippel

Elton L. Knapp

Rubin H. Konig

Walter H. Kreamer

Herman T. Krol

Alden J. Laborde

William L. Lamberson

Henry C. Lauerman

William M. Laughlin, Jr.

William C. Leedy

John A. Leonard

William N. Leonard

John K. Leydon

Ralph H. Lockwood

Paul C. Lovelace
 Edward M. Luby
 Frank C. Lynch, Jr.
 Charles M. MacDonald
 John R. MacLachlan
 Beriah Magoffin, 3d
 Robert C. Main
 Robert R. Managhan
 Herbert I. Mandel
 Stephen S. Mann, Jr.
 Edward S. Manown
 Jack E. Mansfield
 Charles A. Marinke
 James A. Marks
 Richard M. Marsh
 Harry C. Mason
 John D. Mason
 James A. Masterson
 Woodrow W. McCrory
 Lucien B. McDonald
 Joseph M. McDowell
 Fred E. McEntire, Jr.
 Alan R. McFarland
 Charles F. McGivern
 John W. McManus
 Robert W. McNitt
 Lionel T. McQuiston
 Clarence A. Melvin
 Willard de L. Michael
 Robert L. Middleton
 Robert C. Millard
 Herman E. Miller
 Alphonse Minvielle
 Charles S. Moffett
 Raymond A. Moore
 Robert J. Morgan
 Charles H. Morrison, Jr.
 Richard D. Mugg
 Frederic W. Muir
 George R. Muse
 John N. Myers
 George F. Neel, Jr.
 Nels R. Nelson
 Robert B. Nelson
 David G. Nickerson
 Harold E. Nixon
 Charles R. Norris, Jr.
 Leslie J. O'Brien, Jr.
 Elvin C. Ogle
 Andros Olah
 Albert R. Olsen
 Robert A. O'Neill
 John C. Owen
 James M. Palmer
 Oscar B. Parker
 James R. Payne
 West A. Payne
 Ben B. Pickett
 Edwin L. Pierce
 Heber Player
 Charles E. Pond
 Andrew W. Prout, Jr.
 Douglas H. Pugh
 Frank B. Quady
 Conde L. Raguet
 Donald B. Ramage
 William "K" Ratliff
 Wilmer E. Rawie
 James H. Ray
 Jackson H. Raymer
 John T. Ready, Jr.
 John W. Reed
 Miles P. Refo, 3d
 Charles J. Reimann
 George R. Reinhart, 3d

Thomas K. Richards
 George F. Richardson
 William P. Riesenber
 Frank H. Rile, Jr.
 Maurice H. Rindskopf
 Charles M. Robertson
 Jack L. Robertson
 Hugh M. Robinson
 Kenneth G. Robinson
 Herman K. Rock
 Leon W. Rogers
 William K. Rogers
 Robert W. Rynd
 William J. Salmon
 Richard D. Sampson
 Alvin F. Sbis
 Robert A. Schelling
 William J. Schlacks, Jr.
 Fred J. Schroeder
 Paul G. Schultz, Jr.
 Vincent E. Schumacher
 Leo R. Schwabe
 Robert E. Seibels, Jr.
 Raphael Semmes, Jr.
 Wade C. Schaffer, Jr.
 Walter A. Sharer
 Raymond Shile
 John B. Shirley
 Francis W. Silk
 Vincent M. Sim
 Harvey H. Sims, Jr.
 Robert E. Sinnott
 William A. Sissons
 David K. Sloan, Jr.
 Gordon F. Smale
 Walter L. Small, Jr.
 Donald E. Smith
 John C. H. Smith
 Donald D. Snyder, Jr.
 Verner J. Soballe
 Nathan Sonenshein
 Charles D. Sooy
 William O. Spears, Jr.
 Elbert D. Sprott, Jr.
 Roger N. Starks
 Sherman H. Stearns
 John F. Stevens
 James J. Stilwell
 Sheldon C. St. John
 Harry B. Stott
 Ira G. Stubbart
 Thomas H. Suddath
 Eugene T. B. Sullivan
 Irving J. Superfine
 Henry E. Surface
 Wendell W. Suydam
 John R. Sweeney
 Paul E. Taft
 William J. Tate, Jr.
 Leonard W. Thornhill
 James E. Tinling
 Everett A. Trickey
 Joseph R. Tucker
 Michael T. Tyng
 Newell F. Varney
 Eli Vinock
 John J. Walsh
 Thomas Washington, Jr.
 John M. Waters
 William P. Watts
 Herold J. Weiler, Jr.
 Heydon F. Wells
 Cecil R. Welte
 Otis A. Wesche
 Edwin M. Westbrook, Jr.

Ralph Weymouth
 Frank D. Whalen
 George A. Whiteside
 John E. Wicks, Jr.
 Gordon B. Williams
 Osborne B. Wiseman
 Bernard M. Wolfe
 Ernest W. Wood, Jr.
 Richard H. Woodfin, Jr.

Edwin F. Woodhead
 John F. Woodruff
 Harry E. Woodworth
 Robert K. R. Worthington
 Arthur B. Yeates, Jr.
 Frank A. Zimanski
 Conrad J. Zimmer
 Oswald A. Zink

MARINE CORPS

Lt. Col. Harry L. Smith to be a colonel in the Marine Corps from the 1st day of May 1938.

Maj. Oliver P. Smith to be a lieutenant colonel in the Marine Corps from the 1st day of May 1938.

Maj. Henry D. Linscott to be a lieutenant colonel in the Marine Corps from the 1st day of May 1938.

Capt. Augustus H. Fricke to be a major in the Marine Corps from the 1st day of May 1938.

Capt. Julian N. Frisbie to be a major in the Marine Corps from the 1st day of May 1938.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of May 1938:

Luther S. Moore

Harry S. Leon

Nelson K. Brown

The following-named midshipmen to be second lieutenants in the Marine Corps from the 2d day of June 1938:

Robert W. Shaw

John A. Saxten, Jr.

Douglas E. Keeler

Carl J. Fleps

George R. Newton

Paul E. Becker, Jr.

Alfred L. Booth

Raymond H. George

Carlo A. Rovetta

Richard D. Weber

Dorrance S. Radcliffe

Charles M. DeHority

Cyril E. Emrich

William P. Spencer

Nathan T. Post, Jr.

William A. Houston, Jr.

James J. Owens

Alton D. Gould

Richard B. Church

John S. MacLaughlin, Jr.

John W. Howe

Howard B. Bengel

Clarke J. Bennett

Thomas L. Lamar

Hugh M. Elwood

Randolph C. Berkeley, Jr.

Pay Clerk Carlton L. Post to be a chief pay clerk in the Marine Corps, to rank with but after second lieutenant, from the 16th day of April 1938.

POSTMASTER

John W. White to be postmaster at Uvalde, Tex., in place of J. W. White. Incumbent's commission expired April 30, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate, May 10 (legislative day, April 20), 1938

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Thomas Gordon Cranford, Jr., to Quartermaster Corps.

First Lt. John Stein Walker to Ordnance Department.

POSTMASTERS

INDIANA

Emma V. Spinks, Dugger.

Ellis D. Malone, Elnora.

Walter J. Smith, Loogootee.

L. Edgar Feagans, Montgomery.

Alva K. Costin, Paragon.

Walter S. Kensler, Vincennes.

NEBRASKA

Russell B. Somerville, McCook.

NEW JERSEY

Marie Pisecco, Woodbury Heights.

NEW YORK

Joseph W. Cain, Adams.

Frank V. Wiatrowski, Angola.

William S. Brown, Antwerp.

Pierce D. Kane, Averill Park.
 James P. Bruen, Bedford Hills.
 Hanna A. Williams, Belleville.
 Leonard A. Wiley, Cape Vincent.
 Burdette G. Dewell, Catskill.
 Thomas F. J. Hannan, Chappaqua.
 William J. Casselman, Clayton.
 Clayton I. Burch, Earlville.
 Wayne H. Wright, East Aurora.
 Fred S. Tripp, Guilford.
 William L. McGranaghan, Hancock.
 Matthew F. Dixon, Hamilton.
 Katherine C. Newton, Homer.
 Louis C. Donovan, Mount Morris.
 Hiram C. Denton, Northville.
 William F. McNichol, Nyack.
 Arthur B. Stiles, Owego.
 Robert E. Purcell, Philadelphia.
 John M. Corey, Saratoga Springs.
 George O. Fountain, Scarborough.
 Daniel J. Falvey, Schuylerville.
 Raymond J. Slaterry, Trudeau.
 Dennis A. Ferris, Windham.

NORTH CAROLINA

William H. Snuggs, Albemarle.
 Wythe M. Peyton, Asheville.
 Don P. Steed, Candor.
 Rufas C. Powell, Denton.
 Wilburn E. Berry, Drexel.
 William T. Culpepper, Elizabeth City.
 Berta B. White, Ellerbe.
 Harry L. Ward, Gatesville.
 Mabel W. Jordan, Gibsonville.
 Thomas T. Hollingsworth, Greenville.
 Robert S. Doak, Guilford College.
 John E. Morris, Hertford.
 Stephen C. Clark, High Point.
 James J. Parker, Murfreesboro.
 Wightman C. Vick, Norwood.
 George W. Hardison, Plymouth.
 Louella Swindell, Swanquarter.
 Leslie T. Fowden, Williamston.

OKLAHOMA

Martin G. Kizer, Apache.
 David S. Williams, Purcell.

PENNSYLVANIA

Wilbur G. Warner, Lehighton.
 Penrose L. Young, Northampton.
 Russell W. Mosteller, Pen Argyl.
 George G. Foley, Pocono Manor.
 Earl R. Young, Weatherly.
 George D. Arner, Weissport.
 Charles J. Trexler, Windgap.

SOUTH DAKOTA

Gertrude S. Severson, Brandt.
 James R. Kohlman, Conde.
 Alfred E. Paine, Doland.
 John E. Dunn, Elkton.
 Norbert F. King, Frankfort.
 George M. Foltz, Herrick.
 J. Russell Andersen, Irene.
 Anna A. Dithmer, Kadoka.
 Florence M. Langer, Olivet.
 Charles E. Stutenroth, Redfield.
 Kathryn H. Speirs, Ree Heights.
 Joseph A. Crowley, Sioux Falls.
 Helen L. Kieffer, White Lake.

TEXAS

John W. White, Uvalde.

REJECTIONS

*Executive nomination rejected by the Senate, May 10
 (legislative day of April 20), 1938*

POSTMASTER

NEW JERSEY

Frank James Growney to be postmaster at Englewood, in the State of New Jersey.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 10, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of Hosts and our Heavenly Father upon earth, we seek Thy presence that we may fulfill the duties of this day in the spirit of the Master. Thy ways are past finding out, yet Thou hast given us an immortal Teacher in Thine only begotten Son. We fervently pray Thee to guide us in those things that make for godliness in thought and action. Do Thou empty us of all selfish and ignoble desires. Make us deeply just and serious in all our deliberations. Oh, blessed is the man whose delight is in the Lord. Help us to learn more and more that mercy is greater than sacrifice, that truth is more wonderful than fiction, that reality surpasses all dreams, and that goodness will ever outlive greatness. Grant that we may breast the stream of the future unafraid, soothed and deathlessly nourished by a life that is sustained by the mercy and love of an infinite God. Upon our praying lips we bear to the throne of grace our President, our Speaker, and the Congress; keep and shelter them day by day. In the Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bills of the House of the following titles:

On April 29, 1938:

H. J. Res. 573. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing Federal participation in the New York World's Fair 1939"; and

H. R. 5731. An act for the relief of Ruth Rule, a minor.

On May 9, 1938:

H. R. 9621. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1939, and for other purposes; and

H. R. 8039. An act to authorize the attendance of the Marine Band at the observance of the seventy-fifth anniversary of the Battle of Gettysburg, to be held at Gettysburg, Adams County, Pa., on July 1, 2, and 3, 1938.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10238. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4276) entitled "An act to amend an act entitled 'An act to create a juvenile court in and for the District of Columbia,' and for other purposes."

FILING OF MINORITY VIEWS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the minority upon the Committee on Appropriations may

have until midnight tonight to file minority views on House Joint Resolution 679.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NAVY AUTHORIZATION BILL

Mr. VINSON of Georgia submitted a conference report and statement on the bill (H. R. 9218) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

INVESTIGATION OF UN-AMERICAN PROPAGANDA

Mr. DIES, from the Committee on Rules, submitted the following report (Rept. No. 2319), which was referred to the House Calendar and ordered printed:

House Resolution 282

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven members for the purpose of conducting an investigation of (1) the extent, character, and objects of un-American propaganda activities in the United States, (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony as it deems necessary. Subpoenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and insert therein a speech I delivered on Saturday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WENE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with regard to the wage and hour petition.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a speech made by the Speaker last evening at the triennial convention of the B'nai B'rith organization at the Willard Hotel, Washington, D. C.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein observations on the reciprocal-trade agreement entered into by Secretary Hull with Switzerland.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a resolution passed by the Federated Women's Club of Illinois on flood relief.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXPORTATION OF HELIUM

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, the newspapers carry a report today of a statement by Mr. Ickes that the matter of the exportation of helium gas insofar as he is concerned is a closed issue. It has not been my favor to have been able to congratulate Mr. Ickes on anything in the past, but I do wish to take this opportunity to congratulate him on his stand against exporting helium and on his statement as just reported.

I also want to say to him through you, Mr. Speaker, that I hope he will stick by his guns and will not give in to the pressure which will probably be put upon him in the next few days.

I could never understand why we originally passed the helium export law of 1937. Such a law was not at all necessary and not at all in line with public sentiment in this country. I have stated many times that it should be repealed, and I reiterate today that it should be repealed. Therefore, I ask the House of Representatives to give early consideration to my repealer, H. R. 10259.

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Will the gentleman from Pennsylvania withhold that a moment so we may take up a small matter from the Committee on Appropriations?

Mr. RICH. I withhold it, Mr. Speaker.

UNEMPLOYMENT COMPENSATION ADMINISTRATION BY SOCIAL SECURITY BOARD

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500,000 as an additional amount for the fiscal year ending June 30, 1938, for grants to States for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, and under the limitations in the appropriation for this purpose in the Independent Offices Appropriation Act, 1938.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. I think the gentleman from Virginia should make a statement upon the subject so that the House may understand.

Mr. WOODRUM. Mr. Speaker, under the Social Security Act, the Federal Government allocates to the States a sufficient amount of money to enable the States to administer their unemployment compensation laws. That fund is collected into the Treasury from the unemployment compensation tax, which is levied on employers and pay rolls. It is then paid out of the Treasury back to the States in the form of this amount to enable them to carry on the unemployment compensation activity. The Budget estimate was for \$4,000,000 for the remainder of this fiscal year.

Mr. TABER. If the gentleman will permit, \$4,500,000.

Mr. WOODRUM. That is correct, \$4,500,000 for this fiscal year. The committee cut the amount to two and a half million dollars, which the committee believes is necessary to enable the Social Security Board to make allocations to the several States to carry on these activities for the remainder of the present fiscal year.

Mr. TABER. Mr. Speaker, I think after that explanation that I should add that the reason why we should appropriate a small amount more at this time is because some service must be performed by the States to make the weekly payments under titles 3 and 9 of the Social Security Act, and

there is an obligation on the part of the Federal Government to pay those expenses on the part of the States out of the 10 percent of the 3-percent tax which is paid to the Federal Government under titles 3 and 9.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. Does the gentleman not think now that we ought to earmark the money that is put up for social security, so that the Federal Government has it whenever it is needed for that particular purpose?

Mr. WOODRUM. Every penny of money that is collected from social-security tax is earmarked and cannot be expended out of the Federal Treasury unless Congress appropriates it, and Congress has not appropriated one penny of it.

Mr. RICH. Does the gentleman mean to say that all of the money that has been paid in for the amount of the assessment on the employer and the employee is intact in the Federal Government?

Mr. WOODRUM. Either there or there are securities for it.

Mr. RICH. If the gentleman will show me any place where we have any money in the Federal Treasury to pay this, I would like to buy you all—well, ice cream, at least.

Mr. WOODRUM. I shall meet the gentleman just after I get through with my speech.

Mr. RICH. The money is not in the Treasury.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VOLUNTEER UNITED STATES OFFICERS AND SOLDIERS IN WAR WITH SPAIN

Mr. BEITER. Mr. Speaker, I call up the conference report upon the bill (H. R. 2904) for the relief of officers and soldiers of the Volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, and move its adoption.

The Clerk reported the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2904) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

ALFRED F. BEITER,

ARTHUR B. JENKS,

Managers on the part of the House.

M. M. LOGAN,

ARTHUR CAPPER,

L. B. SCHWELLENBACH,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2904) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the Senate amendment, namely:

The amendment as proposed by the Senate provides that no benefits shall accrue under any provision of this Act to any person whose claim is based upon the service of any such officer or soldier discharged in the Philippine Islands at his own request. The managers on the part of the House agree to the amendment of the Senate.

ALFRED F. BEITER,

ARTHUR B. JENKS,

Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

AGRICULTURAL APPROPRIATION BILL, 1939

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10238, making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Chair appointed the following conferees: Mr. CANNON of Missouri, Mr. TARVER, Mr. UMSTEAD, Mr. LAMBERTSON, and Mr. DIRKSEN.

LAWS ENACTED BY NATIONAL ASSEMBLY, PHILIPPINE ISLANDS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith copies of laws enacted by the First National Assembly of the Philippines during its second special session, from August 28, 1937, to September 8, 1937, its third special session on September 9, 1937, and its second session from October 16, 1937, to November 21, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1938.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-eight Members present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 72]

Ashbrook	Flannagan	Kvale	Smith, Okla.
Barden	Flannery	Larrabee	Smith, W. Va.
Barry	Frey, Pa.	McCormack	Stack
Boren	Gavagan	McGehee	Starnes
Boylan, N. Y.	Gildea	McGranery	Steagall
Buckley, N. Y.	Gingery	McGroarty	Sullivan
Bulwinkle	Gray, Pa.	McMillan	Sweeney
Byrne	Hancock, N. C.	May	Taylor, S. C.
Cannon, Wis.	Hartley	Mitchell, Tenn.	Tinkham
Cartwright	Hildebrandt	Moser, Pa.	Tobey
Casey, Mass.	Holmes	Nichols	Voorhis
Champion	Hook	Norton	Wearin
Collins	Izac	O'Connor, Mont.	Weaver
Crosby	Jarman	O'Malley	Wene
Deen	Jenckes, Ind.	O'Neal, Ky.	Wheelchel
Dempsey	Jenkins, Ohio	Phillips	White, Idaho
Disney	Jenks, N. H.	Polk	Withrow
Ditter	Kelly, N. Y.	Quinn	Wolfenden
Douglas	Kennedy, Md.	Rogers, Okla.	Wolverton
Faddis	Kerr	Scruggam	Wood
Fish	Kirwan	Shannon	

The SPEAKER. On this roll call 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ADDITIONAL UNITED STATES JUDGES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3691) to provide for the appointment of additional judges for certain United States district courts, circuit courts of appeals,

and certain courts of the United States for the District of Columbia, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS of Texas, CELLER, and GUYER.

EXTENSION OF REMARKS

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter I wrote to the President of the United States and his answer thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PETTENGILL. Mr. Speaker, I make a similar request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the eightieth anniversary of the admission of Minnesota as a State on May 11.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HAS THE C. I. O. AN UNDERCOVER MAN ON THE N. L. R. B.?

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein a resolution which I have introduced.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, so many serious charges have been made by responsible persons to the effect that the interpretation and attempted enforcement of the National Labor Relations Act is biased, unfair, and in disregard not only of the principles of law but of justice that the promotion of industrial peace through the operation of the law, as administered by the present Board, seems impossible of accomplishment.

The act has not diminished the causes of industrial dispute. This is due in part at least to inherent defects in the law itself.

It is due in no small measure to the interpretation given the act and the manner in which it has been enforced.

At this time reference will be made to but one phase of the Board's activity—that which indicates that the C. I. O. has an undercover man on the Board's staff.

It has been frequently charged—and, indeed, it is not seriously denied—that C. I. O. organizers and representatives assist agents of the Board in procuring witnesses, obtaining testimony, conducting hearings.

The Board has been asked in judicial proceedings whether C. I. O. representatives have not taken part in the preparation of opinions. So far the Board in these judicial proceedings has failed to make answer to this very pertinent and far-reaching question.

It now appears from evidence which cannot be refuted that C. I. O. representatives are on the inside, have knowledge of, and are permitted to obtain information which discloses in advance of their rendition decisions to be made by the Board itself.

Here is a photostatic copy of part of a page from the California edition of the United Automobile Worker, member of the Committee for Industrial Organization, published at Los Angeles, Calif., April 9, 1938.

The heading of the article reads:

Labor Board orders Douglas to reinstate 45 sit-down strikers.

The article states that—

Douglas Aircraft Co., Inc., was guilty of unfair labor practices prior to, during, and after the sit-down strike of February 1937, according to a decision of the National Labor Relations Board released in Washington. The company is ordered to reinstate 45 men and pay them for time lost because of unemployment since the strike.

The news report then gives other high lights of the decision and states that—

Immediately upon receipt of the full findings of the Labor Board, the Auto Worker will issue a complete summary of the report and its findings.

Inquiry yesterday at the office of the Labor Board brought the information that the decision was made April 20, 1938, and went to the Printer on the 29th.

Inquiry at the Government Printing Office disclosed that it was not yet available for distribution.

The United Automobile Worker, a C. I. O. publication, would not have been able to print an accurate analysis of the decision, giving many of its terms, unless it had in the N. L. R. B. organization some educated person who assisted in the drafting of the opinion and disclosed in advance of its rendition the contents of that opinion.

By what legerdemain is a C. I. O. publication enabled to print, 11 days before it is made, the salient points of the decision in a controversy between one of its affiliates and Douglas Aircraft Co., Inc.?

Douglas Aircraft Co., Inc., at the time of the sit-down strike in February 1937, was engaged in the manufacture of planes for the armed forces of the United States. There was a sit-down strike which threatened the destruction of these planes and the materials gathered for their construction.

Those who caused and took part in the strike were directly interfering with the preparations of the Army for national defense. They were impairing the country's efficiency to meet and defeat its enemies in time of war.

They made a complaint against Douglas Aircraft Co., Inc., to the N. L. R. B., a governmental agency. It was the duty of the N. L. R. B. to conduct a full and fair hearing, to render a decision that would do justice between the parties, and to protect the Government which created it.

What happened? Eleven days before the Board rendered its decision in this important case, where the defendant company was engaged in making planes for the protection of the Government, someone on the inside, who had access to the files, who had the confidence of those charged with making this decision, furnished confidential information as to the N. L. R. B.'s decision to an organization affiliated with those who, by the sit-down strike, were hamstringing the Government's defense plans.

What was the purpose and what was the result of the giving of this advance information? We need not speculate. United Automobile Worker prints it, so that all may read. Let me quote from the article itself:

MEMBERSHIP POUR IN

News of the decision had an immediate effect upon Douglas Local 214. Members who had fallen behind in their dues trooped in and others who had been out of the local entirely inquired as to how they could regain membership. Applications were also received from old Aircraft Workers Union members who realize that if there is to be any effective organization in the Douglas plant it will have to be built around the U. A. W. A.

This decision, giving aid and comfort to the country's enemies, was rendered by the N. L. R. B., which ordered the reinstatement of an alien, whose employment on planes intended for defense purposes was prohibited by a Federal statute.

Not only did the Board order his reinstatement, in violation of law, but it did not safeguard its decision. Advance information of that decision was permitted to reach an affiliate of those engaged in the sit-down strike and, as you have just noted, this advance information strengthened the sit-down strikers and enabled them to add new men to their membership, to increase their war chest, and to more successfully fight the Government which created the N. L. R. B.

Another instance is that, where, if the charge of John Ferguson in the public press be true, advance information of the decision rendered in the case of local 16, Associated Workers of Printing and Finishing and Allied Industries at Bradford, Westerly, R. I., was published in a Detroit labor newspaper on December 11, 1937, under the name of William

Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, bearing a date line of December 8, the official decision being handed down on December 22.

The photostatic copy of a part of the item in the Providence (R. I.) Journal of December 25, 1937, reads as follows:

The charge that the National Labor Relations Board and the C. I. O. are "working together" was made last night by John Ferguson of Westerly, attorney for the Bradford Dyeing Association's Employees' Federation.

He said he based his charge on the fact that a Detroit labor newspaper carried a story of the decision in the Bradford mills case 2 weeks before the decision was announced officially at Washington.

The newspaper story appeared in the People's Press in its December 11 edition, under the name of William Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, and carried a date line "Westerly, R. I., December 8," Ferguson declared.

These two incidents show that, from some source within the N. L. R. B. itself, C. I. O. is enabled to obtain advance information of decisions made later by the Board.

These facts alone show that an investigation is necessary. Other reasons for an investigation are set forth in the resolution introduced today, and which I read:

Resolution to determine the effectiveness of the Wagner law and the manner of its enforcement

1. Whereas the preamble of the National Labor Relations Act, commonly known as the Wagner Act, which became law on July 5, 1935, recites that it is "An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes"; and

2. Whereas the records of the Department of Labor show that there were during 1936, 2,172 strikes, 788,648 workers involved, 13,901,956 days lost; during 1937, 4,590 strikes, 1,850,350 workers involved, 28,230,130 days lost; and

3. Whereas from the foregoing facts it appears that neither the Wagner Act nor the interpretation and enforcement of that act by the National Labor Relations Board, hereinafter referred to as the N. L. R. B., has diminished the causes of labor disputes; and

4. Whereas it is now openly charged through the press by responsible persons, and a poll of public sentiment as late as May 8, 1938, shows, that a substantial majority of the people believe that the act, as interpreted and administered by the N. L. R. B., is the cause of labor disputes; and

5. Whereas under the Wagner Act the N. L. R. B. has no power of conciliation, mediation, or arbitration; and

6. Whereas under the act the N. L. R. B. has no power to fix wages, hours of employment, or to determine working conditions, or to interpret or enforce contracts existing between employees and employer; and

7. Whereas the act declares that "employees shall have the right to self-organization, to form, join, or assist labor organizations," and "to bargain collectively through representatives of their own choosing"; and

8. Whereas the N. L. R. B. has, by its decisions, held that the right of a worker to organize meant that he must belong to, or at least be represented by, a union selected by the majority; and

9. Whereas the N. L. R. B. has ordered employers to cancel contracts with certain unions and to enter into collective bargaining contracts with other unions; and

10. Whereas the N. L. R. B. has, by its orders, forced employees, if they would work for certain employers, to join a union designated by the N. L. R. B.; and

11. Whereas the C. I. O. has prevented members of other unions, workers who belonged to no union, and members of its own union from working until fees due the C. I. O. were paid; and

12. Whereas such conduct on the part of the C. I. O. is encouraged by the favoritism shown it by decisions of the N. L. R. B.; and

13. Whereas the N. L. R. B. has on occasion failed to call an election to determine the bargaining agent of the workers when requested by an A. F. of L. organization or by independent unions, as in the case of the demand of the American Federation of Labor unions and the demand of the independent union for an election by the employees of the Consumers Power Co. where possession of the company's plants at Jackson and other points in Michigan was taken by a C. I. O. organization, and has, by its conduct in so doing, lent assistance to the membership drives of the C. I. O.; and

14. Whereas Joseph A. Padway, counsel for the American Federation of Labor, released for publication on April 30, 1938, a statement in which, referring to certain decisions, he said:

"These decisions indicate a strong tendency by the Board to assume jurisdiction to regulate and control the normal activities of labor unions which never was contemplated by the National Labor Relations Act.

"We find the Board has gone far afield of its original functions in these respects.

"1. It has invalidated existing contracts entered into between employers and labor unions.

"2. It has directed employers not to enter into contracts because a complaint was pending.

"3. It has ordered employers to abstain from recognizing the union of a majority of employees because charges have been filed by a rival union.

"4. It has set aside the choice of a majority of the workers registered in an election held and supervised by the Board's own staff.

"5. It has called formal hearings tending to disrupt existing contractual relations between an employer and the union representing a majority of employees merely because a rival union has filed a petition for a hearing."

and

15a. Whereas union representatives claiming to act for 200,000 workers of the Republic Steel Corporation, H. J. Heinz Co., Duquesne Light & Power Co., Remington Rand, Inc., Jones & Laughlin Corporation, Pressed Steel Car Co. of Pittsburgh, and the National Steel Corporation, meeting here in Washington, among other things, charged the Board was creating disregard for law and order, "by encouraging strikes, illegal trespass, violence, coercion, intimidation, labor racketeering," and "by acting as an enlistment and dues-collecting agency, thus forcing workers to join the Board's favored union"; and

15. Whereas under the Wagner Act, the N. L. R. B. appoints from its own staff:

(a) Investigators to search out witnesses and to procure testimony;

(b) Attorneys to interview the witnesses so found and to introduce before an examiner the testimony so produced;

(c) Examiners to hear the witnesses and determine the weight of the testimony so found, produced, and presented by its own investigators and attorney;

and the N. L. R. B. in many cases then adopts the finding of the examiner; and

16. Whereas the Wagner Act provides that, on appeal, the conclusions of the examiner and the N. L. R. B. shall be assumed to be true, notwithstanding the fact that such findings may be against the clear weight or the overwhelming weight of the testimony; and

17. Whereas since the decision of the Supreme Court that:

"Those who are brought into contest with the Government in a quasi-judicial proceeding aimed at the control of their activities are entitled to be fairly advised of what the Government proposes and to be heard upon its proposals before it issues its final command"; and that

"Congress, in requiring a 'full hearing,' had regard to judicial standards—not in any technical sense but with respect to those fundamental requirements of fairness which are of the essence of due process in a proceeding of a judicial nature"; and that

"The requirements of fairness are not exhausted in the taking or consideration of evidence, but extend to the concluding parts of the procedure as well as to the beginning and intermediate steps"; and

18. Whereas since such decision, the N. L. R. B., through its General Counsel, Charles Fahy, by petition to circuit courts of appeals, has asked leave to withdraw its petition for an order to enforce the findings which it made against the Ford Motor Co., Republic Steel Corporation, Inland Steel Co., H. J. Heinz Co., and others, thus admitting that its proceedings in those cases at least have been unfair and that it has denied the constitutional guaranty of "due process" and has acted in an arbitrary manner and that it has made orders in those cases which were not warranted by the facts and were without authority of law; and

19. Whereas by such attempted withdrawal it will be enabled to avoid a judicial public exposure of its unlawful, biased, and arbitrary actions; and

20. Whereas the Ford Motor Co. filed a motion in the United States Circuit Court of Appeals of the Sixth Circuit, asking, among other things, that the N. L. R. B. be required to answer as to whether in its decision against the company, "anyone not connected with the Board had been consulted" and whether the N. L. R. B., before rendering its decision, had consulted with John L. Lewis, chairman of the C. I. O.; Homer Martin, president of the U. A. W. A.; or Thomas Corcoran and Benjamin V. Cohen, New Deal attorneys and legal advisers to the President; and

21. Whereas the N. L. R. B., through its attorney, has sought to avoid the answering of those questions by asking leave to withdraw its petition for the enforcement of the Ford order and, by such request, denies the company the opportunity to require an answer under oath in a judicial proceeding where a false answer would be perjury, and thus conceals the method by which it reached a decision; and

22. Whereas the Ford Co. in the same proceeding has asked the court to require Chairman J. Warren Madden and Board members Edward S. Smith and Donald Wakefield Smith to answer under oath:

Whether the Board, or any member, had read all or any part of a stenographic transcript of verbatim report of testimony taken at the trial hearing.

Whether any summary or abstract of testimony, or notes or memorandum, was prepared by any Board member, employee, or other person.

Whether any member of the Board read or inspected each exhibit.

Whether the Board, or any member thereof, made use of any material other than the hearing testimony and exhibits in arriving at a decision.

Whether the Board, or any member, read all of the company's petition for a hearing.

23. Whereas the action of the N. L. R. B. in filing its petition to be permitted to withdraw the order it has made against the Ford Motor Co. tends directly to suppress the truth and is a refusal to answer under oath the inquiry as to whether the decisions of the N. L. R. B. are dictated or influenced by John L. Lewis, Homer Martin, or others, and is, in the minds of many people, a tacit admission that the decisions rendered are not the decisions of the N. L. R. B., are not based upon testimony but are the result of political demands made by those who are not entitled to participate in any way in the decisions of the N. L. R. B.; and

24. Whereas the Inland Steel Co. has charged that its attorneys were arbitrarily limited in cross-examination in the presentation of evidence and in the examination of witnesses by Charles A. Wood, of the N. L. R. B., and that its witnesses were "bullied" by the N. L. R. B. attorneys, and that C. I. O. representatives jammed the hearing room to intimidate its witnesses, which, under the decision of the United States Supreme Court in the Scottsboro case, amounted to a deprivation of a fair trial; and has charged that the trial examiner refused to issue subpoenas for the defense on written application, which application, except in one instance, was required to disclose the purpose of the testimony; and that, throughout the hearing, the examiner "displayed animosity and hostility and prejudice against" the petitioner and its attorneys and witnesses; and

25. Whereas such charges, if true, show that the N. L. R. B. deprived the Inland Steel Co. of its rights under the Constitution to due process of law and its day in court; and

26. Whereas the N. L. R. B., by asking permission to withdraw its order, tacitly admits the truth of such charges; and

27. Whereas the N. L. R. B. has ordered the Douglas Aircraft Corporation to reinstate 45 workers who took part in a sit-down strike while the company was engaged in the manufacture of airplanes for the Government, 11 of those so ordered to be reinstated having been convicted of a felony in connection with the sit-down strike, and 1 of those so ordered to be reinstated being an alien, this notwithstanding the statute which provides that—

"No alien shall have access to plans or specifications or work on Government planes"; and

28. Whereas the N. L. R. B. has ordered the reinstatement of 5,000 employees of the Republic Steel Corporation, notwithstanding the fact that 6 had pleaded guilty to the use of explosives, 9 had pleaded guilty to obstructing United States mails; that 12 had pleaded guilty to assault and battery; that 67 had pleaded guilty to rioting; that 6 had pleaded guilty to malicious destruction of property; that 5 had pleaded guilty to obstructing railroad tracks; and that 9 had pleaded guilty to carrying concealed weapons; and

29. Whereas, as appears from the photostatic copy of the Los Angeles edition of the United Automobile Worker, a newspaper of the United Automobile Workers of America, under date of April 9, 1938 (printed in part as exhibit A), the decision of the N. L. R. B. in the case against the Douglas Aircraft Corporation was published in that paper on the 9th day of April 1938, while the decision of the N. L. R. B. was not officially made until April 20, 1938, 11 days after it was published in the C. I. O. affiliate's newspaper, and it is therefore pertinent to inquire how, by what means, and why a synopsis of an official decision of the N. L. R. B. appeared in a C. I. O. newspaper prior to the official dating and announcement of such decision and prior to the time it was released to the press generally; and

30. Whereas Local 16, Associated Workers of Printing and Finishing and Allied Industries at Bradford, Westerly, R. I., through its attorney, John Ferguson, charged that the N. L. R. B. and the C. I. O. were working together, which charge was based on the fact that "a Detroit labor newspaper carried a story of the decision in the Bradford Mills case 2 weeks before the decision was announced officially in Washington. The newspaper story appeared in the Peoples Press in its December 11 edition, under the name of William Siroka, * * * and carried a date line Westerly, R. I., December 8" (while the official decision was handed down on December 22), as appears by the photostatic copy of an item appearing in the Providence (R. I.) Journal of December 25, 1937 (printed in part as exhibit B); and

31. Whereas there are from day to day in many of the newspapers of the country news items and articles which charge that the Wagner Act in its present form is unfair and unjust and that the N. L. R. B., its examiners, attorneys, and investigators, are closely affiliated with the C. I. O. and its decisions influenced by C. I. O. officials and members; and

32. Whereas it is now evident that the Wagner Law has failed in its announced purpose, that the N. L. R. B. has lost the confidence and respect of employee and employer, and that its activities are increasing unemployment and hampering recovery: Now, therefore, be it

Resolved, That a committee of five be appointed by the Speaker of the House to take testimony to determine:

(a) Whether the National Labor Relations Act as written tends "to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce";

(b) Whether the interpretation and administration of the act tends "to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce";

(c) Whether the charges made as above recited are true;

(d) In what manner, if any, the Wagner Act should be amended;

(e) What changes, if any, should be made, either in the personnel or in the procedure of the N. L. R. B.

Said committee may sit and conduct its investigations anywhere within or without the District of Columbia; take and hear proofs and testimony; subpoena and compel the attendance of witnesses, the production of books, records, and documents; employ counsel, clerks, assistants, and such other employees needed by the committee properly to perform its functions hereunder, and to fix the compensation of each within the amounts appropriated therefor; that such committee shall have all such further powers as are conferred upon congressional committees generally by the acts of Congress; and be it further

Resolved, That such committee report to the Congress of the United States on or before the first Monday of January 1939, and that there be, and there is hereby, appropriated for the expenses actually necessarily incurred by said committee the sum of \$25,000, or so much thereof as may be necessary, payable on the audit and warrant of the United States in the manner prescribed by law.

EXHIBIT A

UNITED AUTOMOBILE WORKER, MEMBER OF THE COMMITTEE FOR INDUSTRIAL ORGANIZATION, CALIFORNIA EDITION

Los Angeles, Calif., April 9, 1938

LABOR BOARD ORDERS DOUGLAS TO REINSTATE 45 SIT-DOWN STRIKERS

Douglas Aircraft Co., Inc., was guilty of unfair labor practices prior to, during, and after the sit-down strike of February 1937, according to a decision of the National Labor Relations Board released in Washington. The company is ordered to reinstate 45 men and pay them for time lost because of unemployment since the strike.

MEMBERSHIPS POUR IN

News of the decision had an immediate effect upon Douglas Local 214. Members who had fallen behind in their dues trooped in, and others who had been out of the local entirely inquired as to how they could regain membership. Applications were also received from old Aircraft Workers Union members who realize that if there is to be any effective organization in the Douglas plant it will have to be built around the U. A. W. A.

EXHIBIT B

[From the Providence Journal, Christmas morning, 1937]

BRADFORD RULING GIVEN C. I. O. FIRST—WESTERLY ATTORNEY REVEALS ADVANCE PUBLICATION OF LABOR BOARD DECISION—HINTS TWO COOPERATE—SAYS DETROIT LABOR PAPER RAN STORY ON DECEMBER 8; DECLARES A. F. L. WILL FIGHT CASE

The charge that the National Labor Relations Board and the C. I. O. are "working together" was made last night by John Ferguson, of Westerly, attorney for the Bradford Dyeing Association's Employees' Federation.

He said he based his charge on the fact that a Detroit labor newspaper carried a story of the decision in the Bradford mills case 2 weeks before the decision was announced officially at Washington.

The newspaper story appeared in the People's Press in its December 11 edition, under the name of William Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, and carried a date line "Westerly, R. I., Dec. 8.—" Ferguson declared.

In the story, he said, Siroka wrote he had in his possession "a copy of the National Labor Relations Board decision in the case brought against the Bradford Dye Works here by the Textile Workers' Organizing Committee."

Ferguson said he considered the article as evidence of a definite working agreement between the N. L. R. B. and the C. I. O.

"It shows how closely the board and the C. I. O. are working together," he said, "when a C. I. O. representative in Rhode Island is given a decision 2 weeks before its official release from Washington."

EMERGENCY RELIEF AND FEDERAL PUBLIC-BUILDINGS BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679, making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The Clerk read the title of the House joint resolution.

The SPEAKER. The gentleman from Colorado moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679. Pending that, for the information of the House, the Chair thinks it proper to have

read by the Clerk the unanimous-consent agreement under which the bill is being considered.

The Clerk read as follows:

On motion of Mr. WOODRUM, by unanimous consent,
Ordered, That on Tuesday, May 10, 1938, after the recovery bill is reported, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and that general debate be in order and be limited to 10 hours, to be equally divided and controlled by Mr. WOODRUM and Mr. TABER, and that the bill be not considered for amendment under the 5-minute rule until it is made in order by a special rule adopted by the House. (Agreed to May 4, 1938.)

The SPEAKER. The question is on the motion of the gentleman from Colorado [Mr. TAYLOR].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679, the emergency relief and Federal public-buildings bill, with Mr. WARREN in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 1 hour to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, I shall consume this time not because of any particular pleasure I shall have in making a speech or hearing the sound of my own voice, but in the hope that I may be able to bring to the Members of the House information relative to this joint resolution and which I think they would want to have before they come to vote upon it. I therefore ask your consideration and cooperation. Ten hours for general debate has been agreed upon and then the bill will be considered under the 5-minute rule. There will be plenty of time for questions, colloquy, debate, and argument; so, in order to try to make a chronological statement to cover the whole measure, I am going to ask the indulgence of the committee to be permitted to speak without interruption for at least a portion of the time. I shall try to save enough time to answer questions at the end of my statement.

Mr. Chairman, at the outset I express my appreciation personally and on behalf of the distinguished chairman of the Committee on Appropriations for the fine cooperation of the members of the Subcommittee on Deficiency Appropriations, and especially our minority brethren. I know, of course, they view the situation with alarm; and I am sure they will in characteristic fashion apprise you of that fact. They have inquired diligently into all of the ramifications of this program, but they have assisted the committee in expediting consideration and we believe you will find in the hearings a comprehensive account of the activities. I pay compliment also to one of the men who works behind the scene—I refer to the clerk of the Committee on Appropriations of the House of Representatives. I have said before, but I repeat now, that I do not know of a man in the public service today who is more conscientious, more efficient, or more industrious. Without his splendid and efficient help the labors of this committee would have been most arduous.

Mr. SIROVICH. What is the name of this clerk?

Mr. WOODRUM. Marcellus Sheild is the name of the clerk. [Applause.]

Mr. Chairman, I do not want to devote a great deal of time endeavoring to justify this program. I could speak, I believe, for hours in justification of it.

I want to say just a few words in a preliminary way, then pass on to what I think will be an explanation of the bill.

On April 14, 1938, the President of the United States delivered a message to Congress on the state of the Union in which he pointed out the present economic plight of the country and the need for further Federal action in the premises. He outlined in that message a program of relief and recovery. This message and the accompanying radio message to the country were received by the people of the Nation with various degrees of approval or disapproval.

There were many who heartily approved the President's suggestions. Before the Committee on Appropriations there came, voluntarily, Mr. William Green, president of the American Federation of Labor, and Mr. John L. Lewis, chairman of the Committee for Industrial Organization, agreeing, certainly in one instance, that this program was needed and was adequate.

About the time of the consideration of this matter there met in the District of Columbia representatives of business and industry. Notwithstanding the fact that upon the rostrum in that meeting there were many great speeches which had for their purpose a disapproval of this program in its various aspects, yet that meeting turned out about like this meeting will turn out today. They did a lot of talking and engaged in a lot of oratory but failed to say anything when they came to finishing up. Strange as it may seem, the United States Chamber of Commerce, representing business and industry, did not dare pass a resolution in their solemn conclave condemning this effort of the President of the United States to further lead the people along the highway of recovery.

In the next few days we are going to hear in this Chamber much oratory. Gentlemen are going to stand with bowed heads at the wailing wall. They are going to view with alarm our situation and call upon Providence to save America; then when the roll is called they will vote for the resolution. [Applause.] I know there are honest, bona fide, legitimate differences of opinion about some of this program, but generally the objections may be cataloged into three or four different classes.

First, There are those who object to this for partisan purposes. Of course, I would not accuse any gentleman on my left of having that motive in mind, but I have noticed, strange as it may seem, during these past days when things have not been so good that some of my friends have been happier than they usually are. I have been wondering if it is not an application of that old adage, "It is an ill wind that does not bring happiness to somebody." I know there is not a gentleman in this Chamber who would want to see America suffer in order that he might gain political advantage; on the other hand, I am compelled to believe that the fact it has happened has at least raised hope in some of the breasts of our distinguished and enthusiastic gentlemen.

Then there are those who conscientiously object to this program because it is going to cost some money and because of the budgetary situation involved. There are those who claim that this is only a temporary expedient, that this program of work relief should not be embarked upon because forsooth we have tried it once before and it did not succeed.

Then there are others who say there has been too much Federal messing in business affairs and if the Government would just get out and Congress quit and go home, and speak a few kind words to business, everything would be all right. But none of these gentlemen go a step farther and tell you what we are going to do with the ten to twelve million men who are unemployed and who are asking what every American citizen ought to have as a right, simply the honest opportunity to make a living for himself and his family; nor do any of them tell you what they are going to do with business and industry who have laid off people because their shelves and warehouses are filled with merchandise for which they have no customers.

I do not want to take a great deal of time here. The question that confronts this Congress today is a very practical one. Shall the Federal Government stand idly and impotently and confess that it can do nothing, confess that the processes of democracy are powerless to meet an economic situation of this kind, while business languishes and millions of American citizens are out of employment? That is the practical question this Congress must meet on this measure.

Shall we do something about it? May I digress for a moment to tell you a true story? Many of the stories that

Congressmen tell are not true stories, but this happens to be a true one.

A few miles from this building, in Walter Reed Hospital, is a young American boy, 22 years of age. For 1 year he has been languishing upon a sickbed. He was in the American Army as a radio operator on a bombing plane which crashed in the mountains of Virginia. Three of his companions lost their lives. He was terribly burned, and for 12 months the best skill, the best attention, and the most loving care that the American people can give to an injured man while performing his duty have been devoted toward restoring him to health and manhood. He is fighting day by day for his life. One of the finest physicians in Walter Reed Hospital is in charge of the case. A number of times it has been necessary to give the boy opiates to ease his pain. A number of times lately it has been necessary to give him a blood transfusion. I may say to my colleague the gentleman from New York [Mr. SROVICH], the eminent physician, that transfusions were given to help him, to boost him up in this struggle to help Nature to reassert herself so that he may improve.

What would you think, if, when gathered around the sickbed of that boy this eminent physician called his consultants in and told them that because of the young man's pain he proposed to give him a hypodermic, and because of his weakened condition he was going to give him a transfusion, and some objection of this kind would be raised? I can fancy some bespectacled, whiskered, theoretical surgeon getting up and saying, "Doctor, I object to giving this boy an opiate because opiates never cured anybody. That does not go to the fundamental cause of his ailment. You have been giving him opiates for 12 months trying to ease his pain."

Suppose another consultant said, "I want to register my protest against this procedure. Who ever heard of a transfusion giving a man a permanent cure? Your medical chart shows you gave him a transfusion last month; so why do it again? There is no sense in that." Assume another consultant would say, "Doctor, I want to protest against this procedure. What this man needs is to cut out the doctors and nurses. Send them all home and get them out of here. He has had too much hospital, he has had too much attention. He needs sunshine and a balanced diet. That would be a good thing for him. He needs to have some kind words spoken into his ears. If you doctors would quit giving him transfusions and hypodermics and make love to him a little bit, he would get well."

I can see this eminent surgeon saying, "Gentleman, it all sounds very fine. Certainly a man ought to have kindness and love and certainly he should have a balanced diet. Certainly he ought to have more vitamin D, and certainly no more of hospitals and nurses than he needs. But gentlemen, you have not yet told me what to do to get him up. He is on his back. My judgment is that we should get him on his feet again, and then we will try to diagnose the organic difficulties, and if we have intelligence enough in the medical profession, try to set him on the high road to recovery."

Mr. Chairman, that is the situation which America faces today. In my judgment, it is beside the point and unconvincing to say that because we had a building and a recovery program a year or two ago and have slipped back a little we should not try it again. If you apply that kind of logic to life I never would have known how to skate on roller skates, because the first time I fell down I would just have stayed in the gutter and would not have tried to get up.

The purpose of this program outlined by the President is to give to builders and industry today just that little impetus that is needed to carry industry forward. What is the situation? There is no use for anybody to try to compare this situation with the past and say we have slipped back to where we were in the beginning. That is nonsense. When President Roosevelt came into the White

House the banks were busted. Nobody in the country had confidence enough to put a dollar in any of them. Nobody had any confidence in business or industry or anything else. The trouble today is not a lack of confidence. Our trouble has been brought on by overconfidence. Let us see if that is an exaggerated statement. Business and industry picked up so that they started running 24 hours a day. They loaded up the plants, they loaded up the shelves, and they loaded up the warehouses. They built more automobiles, made more goods, more wares, and more merchandise than the purchasing power of the American people could absorb. Therefore, this program is for the purpose of starting up again the wheels of industry. If business and industry will cooperate, if they will respond to the wooing of the Federal Government, then there will be no difficulty.

Let me say to you with respect to that manufacturing industry in your district, that textile plant, that cotton plant, that steel factory which has its warehouses filled to overflowing, that railroad which has no freight nor passengers to haul, what they need today is not a reduction in taxes, for that has nothing to do with it; what they need today is not kind words, for that is not the thing; they need customers for their products. They need the public to have purchasing power so people can buy what they have to sell.

Following that one step further. If you take some substantial portion of these 12,000,000 to 14,000,000 unemployed people and enable them to be self-supporting citizens, put them back into the market as purchasers of goods, wares, and merchandise, then the goods will begin to move off the shelves and then employers can begin to call more men back to the factory, the plant, and the workshop. We hope that will work. The best thing we can do is to try it.

The measure we bring you today is one of the Committee on Appropriations of the House of Representatives. It was prepared there, so we will have to take the credit or the blame for whatever is good or bad about it. It was prepared after many conferences both with departmental officials and administrative heads and with the President of the United States. It is not entirely satisfactory to anybody, but it is approved by all of us as the best we can do. It is satisfactory to the President of the United States, who will be called upon to assist to a large degree in administering the program.

I wish to speak briefly about one or two features which differ from the programs we have had in the past. Heretofore, in the relief bills, because of the emergency nature of the operation, it has been necessary to delegate much larger and wider powers to the executive head of the Government than would ordinarily be granted by the legislative body. When you are advancing upon an enemy, and the shot and shell are raining about you, that is no time to sit down and parcel out delegations of power. Someone has to lead. Someone has to have authority. Therefore in past bills we have very often given the very widest latitude and power to the President of the United States, appropriating large sums of money and giving him wide discretion in dispensing them. That feature has been changed in this measure. In it the appropriations are made directly to the spending agencies. Let me say that I do not believe a member of this subcommittee, certainly not of the majority side of the subcommittee, in putting that provision into the bill had the slightest idea or the slightest intention of reflecting in any way whatever upon the splendid and the unassailable manner in which the President of the United States has administered these programs in the days gone by. It has been done well. There has been no scandal about it. It has been open and aboveboard, and it has been in accordance with the wishes of Congress.

In this resolution we appropriate directly to the Works Progress Administration and to the Public Works Administration, and provide that the projects shall be approved by the President, just as we have always provided in the past that they should be approved by him.

The joint resolution has three titles. It is available to the Members and also copies of the committee print of the report.

Title I covers work relief and relief to be administered by the W. P. A., the N. Y. A., the Farm Security Administration, and other agencies. Title II relates to the Public Works Administration and title III is the Federal public-building provision.

There is no provision in the measure for the United States Housing Authority for the reason that that proposal embodied legislative changes in the existing law and was referred to the Committee on Banking and Currency. I do not know at the moment whether that committee has completed its deliberations and is ready to make a report.

The appropriations in the resolution, aside from personnel engaged in administration either directly or incidentally, are estimated to provide employment as follows: Under the Works Progress Administration projects program, an average of 2,800,000 per month for the 7-month period ending January 31, 1939; under the National Youth Administration 275,000 on works projects for the entire fiscal year 1939; under the Federal public buildings program, a total of approximately 60,000, directly and indirectly, for the period of the program; and under the Public Works Administration program, a total of 11,250,000 man-months of direct and indirect employment, or approaching 1,000,000 man-years, for the period of the program. The entire program under these appropriations and the loan funds should furnish, therefore, a total of employment approximating 4,100,000 persons for varying periods. In addition to the appropriations in this joint resolution, the appropriations for the Civilian Conservation Corps, totaling \$278,000,000 for the next fiscal year, will provide employment for over 300,000 persons. Also, the Federal Government has each year a program of general public works carried on under regular appropriations and conducted under regular Federal departments and agencies such as public roads, reclamation projects, parks, rivers and harbors, flood control, and so forth. While the appropriations have not all been determined for the next fiscal year for these purposes, a general estimate of the status of these funds indicates that the total of the average number of men to be employed directly and indirectly on account of projects for the fiscal year 1939 will be over 500,000. The shipbuilding program of the United States Navy and the merchant-marine program of the United States Maritime Commission will also contribute materially during the coming fiscal year to employment.

This appears to me as an adequate participation by the Federal Government in this proposition of relieving unemployment.

Under the Works Progress Administration we provide for useful Federal and non-Federal public projects, and let me make this statement: These projects under W. P. A. are selected by local communities, not by officials of the Federal Government in Washington. The applications are made by local communities to the Federal Government in Washington through their State agencies, and in each instance the project is approved by the local community. Not only this but the people upon relief in the local community, in your city or in your county, who get this work relief, are not selected by officials in Washington, they are selected by your constituents, by agencies in your own community. This is done for the purpose of preserving, as far as possible, the right of each locality not only to have the type of project it wishes to have but to see that the people who are worthy and deserving are given this work-relief status.

The amount recommended for the Works Progress Administration is \$1,250,000,000, the amount recommended by the President for that Administration for work relief and relief on a 7-month basis for the period to end January 31, 1939. The amount thus far this fiscal year for the Works Progress Administration and the National Youth Administration is \$1,500,000,000 for the full fiscal year.

The need for continuing these programs on at least the current basis is apparent. Since the fall of 1937 industrial production has fallen off by 32 percent. The national

income has declined from an annual rate of \$68,000,000,000 to a rate of about \$56,000,000,000. Since September 1937 more than 3,000,000 workers have lost their jobs in private industry. Employment on the Works Progress Administration program has been expanded to meet the need arising from this severe decline, increasing from 1,400,000 workers in September to approximately 2,600,000 workers at the present time. At the same time the number of families and unattached persons provided for by State and local direct relief has increased from approximately 1,300,000 in October to about 2,000,000 in March.

While the rate of decline in private employment has slowed down, and the number of additional workers who lost their jobs in March was relatively small, the need for relief of unemployed workers continues unabated, for two reasons; first a number of unemployed workers are able to exist on their own resources for a short period after they lose their jobs. Thus many workers thrown out of employment during the month of February, for example, are not forced to apply for relief before April, May, or June. The second factor in this situation is the unemployment compensation received by many workers during the first weeks of their unemployment, which automatically prevents the employment of those workers on the works program. As soon as these compensation payments are exhausted, many of these workers face destitution and must turn to the relief offices for assistance.

Accordingly, while some seasonal improvement in the employment situation may occur during the next 2 or 3 months, it appears that any such improvement will be offset by the accumulated need of workers who have not yet been taken onto these programs.

At the present time approximately 2,600,000 workers are employed on projects of the Works Progress Administration, and about 130,000 are employed in the continental United States on projects of other Federal agencies financed with funds in the current Emergency Relief Appropriations Act. The balances of funds now available for these programs will make it possible to maintain employment at about this level during the remaining months of the fiscal year 1938. The appropriation of \$1,250,000,000 for 7 months will permit a maximum average employment of approximately 2,800,000 workers per month between July 1, 1938, and February 1, 1939.

It is not practical to attempt to forecast the total amount needed to provide relief employment on these programs for the entire fiscal year. On the basis of the evidence available at the present time, the committee did not feel justified in recommending an appropriation of less than \$1,250,000,000 for these purposes for the first 7 months of the fiscal year 1939. On the other hand, if a rapid improvement in business conditions and private employment should occur between now and February 1, 1939, the Works Progress Administration program will be curtailed accordingly and a part of this appropriation would remain available for use after that date. In consideration of the size of the relief problem and the fact that it is subject to rapid and extensive changes, it is the committee's recommendation that the decision as to the extent of the Works Progress Administration program during the last 5 months of the fiscal year 1939 be deferred until Congress reconvenes in January, when action can be predicated on the economic and employment conditions which prevail at that time.

I would like to refer to the National Youth Administration, the appropriations for which during the current and preceding fiscal years have been included in the amounts for the W. P. A. The joint resolution contains an appropriation of \$75,000,000 for the N. Y. A. For the present fiscal year the N. Y. A. has received a total of \$52,500,000 of Works Progress Administration funds and may receive additional money from present unallocated funds. Currently 323,000 high-school and college youths are receiving National Youth Administration aid, and 153,000 youths out of school are employed on the training and other work projects of that Administration.

Under the recommended appropriation of \$75,000,000, it is contemplated that the student-aid program in the fiscal year 1939 will be continued at about the same rate as in the fiscal year 1938, and that the National Youth Administration work program will be expanded to provide for a greater number of youths out of school. This appropriation contemplates that approximately 600,000 youths will be provided for by the National Youth Administration on both programs during the fiscal year 1939.

The Farm Security Administration is another agency to which I should like to direct attention. Its funds have heretofore come by way of allocation from emergency money. We appropriate directly to the Secretary of Agriculture in this resolution the sum of \$175,000,000, plus the reappropriation of the balances remaining unobligated on June 30, 1938, and estimated at \$3,000,000. This sum is made available for administrative expenses, loans, grants, and rural rehabilitation of needy persons in continuation of the same type of program carried on by the Secretary of Agriculture under allocations received from the Emergency Relief Appropriation Act for the current fiscal year.

The amount available for the fiscal year 1938, together with a comparison of the amount recommended for the next fiscal year, follows:

	1938	1939
Loans.....	\$78,945,000	\$120,000,000
Grants.....	22,900,000	30,000,000
Administration, services in composition of farmers' debts, making and collecting loans, granting relief and furnishing assistance.....	21,291,000	25,000,000
Subtotal.....	123,136,000	175,000,000
Completion of Resettlement Administration construction projects and land-utilization projects.....	42,964,000	-----
Total.....	166,100,000	175,000,000

I should like to direct your attention to the very comprehensive statement made by Secretary of Agriculture Wallace, and printed commencing on page 192 of the hearings. He sets forth very clearly what has been accomplished in the past, what is now being done, and why there should be an expansion of this type of relief. It is an exceedingly interesting and convincing statement. The resolution as reported provides for an increase of over \$50,000,000 for the next fiscal year as compared to the current year for the comparable relief activities.

Having in mind definite information that there are 360,000 farm families known by supervisors of the Farm Security Administration to be in need of loans or grants and having in mind the economic conditions in rural areas already existing and further aggravated by the loss of purchasing power in industrial areas, the increase recommended to be appropriated to the Secretary of Agriculture for the Farm Security Administration by way of loans and grants is necessary to provide the measure of relief in those areas that the present situation requires.

The Puerto Rico Reconstruction Administration is another agency which receives a direct appropriation instead of being financed, as heretofore, from allocated funds. The amount carried in this measure is \$6,000,000, plus an unexpended balance estimated at \$2,100,000. The amount allocated for the present fiscal year is \$11,000,000, under which expenditures for the year are restricted to \$8,317,000. The unemployment and economic situation in Puerto Rico is one of the grave problems of our Government. The island is greatly overpopulated, a census in 1935 showing 1,725,000 inhabitants in an area of 3,400 square miles, a population density of more than 500 per square mile. Moreover, the arable area is 1,225,000 acres, which represents about seven-tenths of an

arable acre per person. The population is increasing about 40,000 per year, or at the rate of 2 percent. Other factors, such as the general economic condition, hurricanes, and the reduction of the sugar quota, have contributed largely to the unemployment and distress. The number of unemployed in need of relief is estimated at 150,000. The Administration is employing approximately 17 percent of those who are eligible for relief, but at the conclusion of the sugar-grinding season—a month or so—some 65,000 additional cane workers will be out of employment until the beginning of the next grinding season in January 1939.

I want to comment briefly at this time upon another feature that is new in this legislation, and that is with respect to the administrative expenses of the agencies which do work for the relief program and to which funds have heretofore been allocated. These administrative expenses are exclusive of any funds that may be allocated to the several departments and other agencies in connection with allocations to them of funds for the operation of projects.

The agencies performing general administrative duties in connection with the appropriations in title I, not connected with project operation, and the amounts are as follows:

Employees' Compensation Commission, administration and payment of compensation benefits to injured workers.....	\$3,500,000
Treasury Department:	
Procurement Division, for administrative expenses in the centralized purchase of supplies, materials, and equipment for all agencies operating programs under the title.....	5,500,000
Division of Disbursement, disbursing appropriations under the title.....	3,500,000
Office of the Treasurer, clearing checks, etc.....	750,000
Secret Service Division, investigation of check forgeries, etc.....	300,000
Office of the Commissioner of Accounts and Deposits, and Division of Bookkeeping and Warrants, centralized administrative accounting (liquidation).....	2,000,000
Department of Commerce, Bureau of Air Commerce, technical advice and supervision for airport projects under Works Progress Administration program.....	325,000
General Accounting Office, auditing and accounting.....	4,180,000
U. S. Employment Service, reemployment service.....	1,500,000
National Emergency Council, works program coordination.....	250,000

These agencies have heretofore been allocated funds out of relief appropriations for carrying on their activities without any inquiry or control by Congress over the amount or the extent of their activities.

This time the committee called them in and had what we thought were patient and comprehensive hearings with respect to their expenses, and as a result the Budget estimate of \$50,000,000 for administrative expenses for these agencies was cut to \$29,425,000, or a decrease of \$20,575,000.

May I now speak for a moment about the total amount involved in this bill? The day after the President's message was read to the Congress I happened to be in the capital city of my home State and I was somewhat shocked to read in boxed headlines plastered across the front page of one of the leading newspapers of the South this statement: "The President asks \$7,000,000,000 program of Congress."

The program has been referred to all the way from \$7,000,000,000 down. The figure it has now simmered to in the newspapers, usually, is a little less than \$5,000,000,000. Let us see what it really is. The direct appropriations in this bill out of the Public Treasury for W. P. A., P. W. A., the National Youth Administration, the Farm Security Administration, and all other purposes, amount to \$2,519,425,000.

I am going to place in the Record at this point a table which shows the amount of the direct appropriations in the joint resolution compared with the amount of the Budget estimates the committee considered:

Agency	Budget estimates, President's message of Apr. 14, 1938, and otherwise ¹	Amount recommended in the joint resolution	Increase (+) or decrease (—), joint resolution compared with Budget estimates
TITLE I. WORK RELIEF AND RELIEF			
Works Progress Administration, administration, work relief, and relief (7 months' basis).....	\$1,250,000,000	\$1,250,000,000	
National Youth Administration, administration, work relief, and relief.....	75,000,000	75,000,000	
Farm Security Administration, administration, loans, relief, and rural rehabilitation.....	175,000,000	175,000,000	
Subtotal.....	1,500,000,000	1,500,000,000	
Other agencies: ²			
Puerto Rico Reconstruction Administration: Administration, loans, rural rehabilitation, and Federal and non-Federal projects (\$11,000,000).....		6,000,000	
Employees' Compensation Commission: Administration and payment of compensation to injured persons (\$7,500,000).....		3,500,000	
Treasury Department: Administrative expenses (\$21,143,679).....		12,050,000	
Bureau of Air Commerce, Department of Commerce: Administrative expenses (\$354,000).....		325,000	
U. S. Employment Service: Administrative expenses (\$6,307,000).....	50,000,000	1,500,000	
General Accounting Office: Administrative expenses (\$4,183,605).....		4,180,000	
National Emergency Council: Administrative expenses (\$1,000,000).....		250,000	
National Resources Committee: Administrative expenses (\$825,000).....		250,000	
Prison Industries Organization: Administrative expenses (\$190,000).....		120,000	
Department of Justice: Administrative expenses (\$1,250,000).....		1,250,000	
Total, other agencies (\$53,682,000).....	50,000,000	29,425,000	-\$20,575,000
Total, title I.....	1,550,000,000	1,529,425,000	-20,575,000
TITLE II. PUBLIC WORKS			
Public Works Administration—loans and grants for non-Federal projects, and for financing Federal projects.....	1,000,000,000	965,000,000	-35,000,000
TITLE III. FEDERAL PUBLIC BUILDINGS			
Post office and other Federal buildings to be constructed by the Procurement Division, Treasury Department, expansion of 3-year program.....	25,000,000	25,000,000	
Total, titles I, II, and III.....	2,575,000,000	2,519,425,000	-55,575,000

¹ The sum of \$1,000,000,000 was included as a Budget estimate for relief and work relief in the annual Budget for the fiscal year 1939, submitted in January 1938. The amounts recommended in the President's message of Apr. 14, 1938, are inclusive of this \$1,000,000,000 and when considered in connection with the total of Budget estimates at this session care should be exercised not to include it in both instances. In addition to the amounts in the message and the regular Budget, considered in this joint resolution, the sum of \$50,000,000 for the purposes indicated in the foregoing table and the use of unexpended balances as indicated by note (2) were submitted as Budget estimates in H. Doc. No. 626.

² Plus unexpended balances of allotments under the Emergency Relief Appropriation Act of 1937 which may remain unobligated on June 30, 1938, as indicated.

³ Figures in italics represent estimates of agencies prior to President's approval of \$50,000,000 estimate for all in H. Doc. 626.

⁴ Plus not to exceed \$450,000,000 as a revolving fund from the sale of securities acquired with funds made available by this appropriation or with the proceeds of such securities for the making of further loans.

⁵ Plus not to exceed \$500,000,000 for use as indicated in note (4).

⁶ Plus contract authorization of \$35,000,000.

⁷ Plus unexpended balances as indicated by note (2) and use of securities as indicated by note (3).

⁸ Plus unexpended balances as indicated by note (2), use of securities as indicated by note (3), and contract authorization as indicated by note (5).

If the Public Works Administration never collects a penny of the money that it loans on projects—and so far it has had practically no losses—if it never collects a penny of the money it loans on Public Works projects, the total ultimate amount that the Federal Treasury could possibly be out under the measure brought in here today is \$2,519,425,000. Let us look one step further. Of this sum, \$1,000,000,000 was included in the regular Budget, which was submitted to Congress last January, because that was the billion dollars that was put in at that time for relief. So that this recovery measure carries actually an increase over our original Budget of \$1,519,425,000, and part of this is for loans. I want to be fair and frank about this. We appropriate in this bill the unexpended balances some of these agencies expect to have on June 30, 1938. We have always reappropriated the unexpended balances of the emergency relief funds. It is estimated by the W. P. A. that they will have \$13,000,000 unexpended balance. They had an unexpended balance to start with, and they have to have one at the end. They cannot so regulate their program as to spend every penny of their money. Each agency must have a cushion. So we do reappropriate some of the unexpended balances but the amount of them is not significant. Perhaps I should state here also that we permit the use of proceeds to be received from the sale of securities taken by the P. W. A., up to \$500,000,000, for the making of loans, and based upon the good collection record of P. W. A. this money will be returned.

It is only fair to say that the press usually in figuring a little less than \$5,000,000,000 that the recovery program will cost the people include a billion and a half which the Re-

construction Finance Corporation was authorized recently to loan to industries. Everybody knows that the Reconstruction Finance Corporation has almost a perfect record on these loans, and they will not cost the people of the country a penny unless the whole economic structure falls, and then it does not make any difference whether it is \$5,000,000,000 or \$50,000,000,000. The Reconstruction Finance Corporation makes loans and it collects its loans. So then, figuring a total loss of the R. F. C. loans, which runs to the figure you usually see in the press, we have a total of \$4,519,425,000, of which over \$2,000,000,000 is for loans.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I shall yield in just a little while.

Mr. JOHNSON of Minnesota. I was going to ask the gentleman about the Public Works \$450,000,000.

Mr. WOODRUM. Under the Public Works Administration, title II, we appropriate out of the Treasury, \$965,000,000, compared to a request of \$1,000,000,000 by the President. We deducted \$35,000,000 and put it in title III, which is the Federal public-buildings program. I shall discuss that in just a minute. The P. W. A. program is designed to furnish direct and indirect employment by Public Works projects.

Public Works Administration has on hand now 2,714 approved non-Federal projects, ready to go—projects from practically every district that is represented in this body, made up of school houses, county facilities, recreational centers, bridges, and other types of useful public improvements, which are applying to the P. W. A. for grants or loans. In addition to the direct appropriation, authority is given for

the use of not to exceed \$500,000,000, as contrasted to a recommendation for \$450,000,000, from money to be realized from the sale of securities acquired with this appropriation or out of the proceeds of such securities for the making of loans under the title.

The sum of \$965,000,000 is available for loans, grants, or loans and grants for non-Federal public projects and to the extent of not to exceed \$100,000,000 for Federal projects, to be expended by the Administrator of the Public Works Administration with the approval of the President. The limit upon the amount to be granted is \$750,000,000, with no specific limit on the amount of loans except the availability in the funds. The \$965,000,000 of direct appropriation, with \$500,000,000 of revolving fund from securities, makes a possible total of \$1,465,000,000, of which not more than \$750,000,000 can be used for grants. In addition to the total amount, there will be applicable to this new non-Federal program, the use of assets, estimated at maximum realization at \$100,000,000 when they are sold, from which \$51,000,000 might be used for grants and the remainder for loans and administrative expenses.

The program outlined by the Administrator would consist of some 7,000 to 7,500 projects of an average cost of \$240,000 on the basis of \$750,000,000 in grants.

We also give P. W. A. new authority to meet the needs of those localities where, because of constitutional limitations, they are unable to increase their local indebtedness. It will be recalled that in the President's message he suggested that long-time loans without interest should be made to those localities. The committee, after going into the matter very carefully, decided to somewhat restrict that suggestion. We did not like the idea of setting the precedent of the Government lending money to anybody without interest. We could foresee that the other lending agencies of the Government that are loaning money to groups of our citizens and charging interest would immediately be importuned and the Congress would be petitioned to forego the collection of interest in those cases. The provisions of the joint resolution do not provide for this type of loans. In the place of that suggestion, the committee has inserted subsection (e) of section 201, which will make it possible, where States or other public agencies, due to constitutional limitations, are unable to participate in the loan and grant benefits, for the Administrator, with the approval of the President, to advance them moneys for projects upon their agreement to pay back in annual installments, over a period not to exceed 25 years, at least 55 percent of the amount so advanced with interest for the period of amortization. In order to carry out this proposal, the Federal Government could acquire land for the construction of such a project and then either construct the project itself and lease the completed project to the public agency or advance funds to the public agency for such construction. In either case the Federal Government would retain title to the project until the public agency had paid its share of the cost with amortized interest.

This would permit a locality to take advantage of the 45-percent grant and the long-time payment on a basis that would allow it to get a loan notwithstanding the constitutional inhibition. At the same time the Federal Government would be protected by controlling the terms of the lease and would hold the property until the locality should meet its obligations in full.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a very brief question?

Mr. WOODRUM. I yield.

Mr. PETTENGILL. Would that property be subject to local taxation?

Mr. WOODRUM. I cannot answer definitely; but I imagine not, because title to the property would remain in the Federal Government until it was paid for.

Mr. SIROVICH. What is the interest rate?

Mr. WOODRUM. The rate of interest on an amortized loan would probably be comparable to that charged in the ordinary case with due allowance for the grant. However, that is up to the Administrator.

Title III of the bill is the Federal public-building section. In the fiscal years 1935, 1936, and 1937, we appropriated, respectively, \$65,000,000, \$60,000,000, and \$60,000,000 for Federal buildings outside of the District of Columbia, a total of \$185,000,000. In the last regular session we decided to restrict that program and adopted a program of \$70,000,000 spread over 3 years which would be sufficient to take care of certain major projects and provide one building project for each congressional district having an eligible project. In this measure we enlarge that 3-year program by adding \$60,000,000 to the \$70,000,000, making it \$130,000,000 for the 3 years, which will be sufficient, we are told, to include some major projects and provide an additional building for each congressional district where there is an eligible project. There has been filed with the committee and printed in the hearings a list of the eligible projects under this title. We feel that if you accept as a premise the fact it is right and logical to have a Federal building program in a situation of this kind, then we certainly can justify this sort of expenditure because it spreads the money all over the country. Under the present method of designing public buildings, there are no more ornamental structures at country crossroads. These buildings are to be built where they are needed and where they can be justified, and where they are logical projects. If you are going to have a building program which can be justified, certainly it is one which fills the crying need of the Federal Government for housing facilities.

The Director of Procurement advised the committee that a great many of these projects could be gotten under way within 6 months and that the expenditure of the funds at the site and those indirectly expended in the fabrication and production of materials and otherwise would furnish employment for approximately 60,000 men.

In providing this expansion, the \$35,000,000 additional has been deducted from the \$1,000,000,000 estimated for loans and grants for non-Federal Public Works Administration projects, the committee being of the opinion that the expenditure of this sum could well be made on Federal property where the Government would get the entire advantage of the expenditure and that the projects would furnish as much direct and indirect employment as the expenditure of a like amount on non-Federal Public Works Administration projects.

Mr. Chairman, I could ramble on for a great length of time, but I believe I will conclude my remarks at this time and submit to questions from members of the Committee if you have questions that you wish to ask me. [Applause.]

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield; but I ask the Members to be brief. I will appreciate that very much.

Mr. BEITER. There are several matters I would like to have cleared up. First, in reference to W. P. A. the gentleman stated that the local communities would state who shall be eligible for employment on such projects. That is not quite the fact because the regulations are established by the State administrator. Having in mind a concrete example, if a man and woman, for instance, have a budget requirement of \$50 a month, under W. P. A. he would earn \$60 and they declare him ineligible because his requirements are not sufficient and he would not be permitted to work on W. P. A. projects. That regulation would have to be amended, and that, of course, is not a matter for legislation. I want to clarify it in the gentleman's mind.

In connection with the Public Works Administration I am wondering whether or not the Administrator will have the authority to purchase and sell the securities that may be used in the revolving fund, or whether they will have to sell them through Jesse Jones? If they are sold through Jesse Jones there just will not be a revolving fund, and there will not be any sale or purchase of securities.

Mr. WOODRUM. The Administrator has power under the measure to sell securities either through the R. F. C. or directly to the public.

Mr. BEITER. I am glad to hear that they will not have to operate through Jesse Jones. The gentleman stated that

Jesse Jones has not lost any money. The reason Jesse Jones has not lost any money is that he has not lent any money; and he will not lose any as long as he does not lend any.

What is the total amount of money that has been made available for the Public Works Administration? The gentleman has stated \$965,000,000 for 2,714 projects; and of that \$965,000,000, \$750,000,000 is for loans. Is that correct?

Mr. WOODRUM. Not over \$750,000,000 for grants and any of the appropriation can be used for loans. Then in addition there is the revolving fund of not over \$500,000,000 to become available as securities are sold.

Mr. BEITER. For loans?

Mr. WOODRUM. Yes.

Mr. BEITER. That will leave a very small amount for new projects.

Mr. WOODRUM. There is for loans, \$500,000,000 in the revolving fund and \$215,000,000 over and above the amount available for grants in the appropriation.

Mr. BEITER. I notice, too, in the bill that the new projects will have to be submitted by August 31, 1938. It would be just impossible for a community to submit a new project in that time for the reason that in a great many States they are under the legal requirement to advertise and ask for bids over a certain number of days, and then wait a certain number of days after the bids are received; so it would be just impossible for them to submit their projects by August 31 of this year.

I am wondering if the committee would object to that time being extended to October 31.

Mr. WOODRUM. The time has already been changed by committee amendment to October 1.

Mr. BEITER. I am glad to hear that.

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. MAHON of Texas. If we assume that all of the 2,700 approved P. W. A. projects receive an allotment, how much money will be left over to be applied to new projects that have not yet been filed and approved by the P. W. A.?

Mr. WOODRUM. The number of projects on the existing P. W. A. list amounts to \$440,000,000 for grants. We provide in here \$750,000,000 for grants.

Mr. MAHON of Texas. There would be \$300,000,000 left.

Mr. BOILEAU. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Is there any priority given to any particular class of P. W. A. projects?

Mr. WOODRUM. There is no priority in the bill, but the gentleman will find in the hearings that we have a very specific commitment from the Public Works Administration that this list which they filed will be their No. 1 list for work on new projects to start as soon as possible.

Mr. BOILEAU. After that, is there any priority for schools or such as that?

Mr. WOODRUM. There is no priority provided here.

Mr. KRAMER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. KRAMER. Is there any provision for sectional allocation? Our small cities out on the Pacific coast are farther away from headquarters than some of these eastern cities and we have not the facilities for getting up the engineering reports, application forms, and so forth. Are you going to give all of this to eastern cities?

Mr. WOODRUM. The gentleman will find in the list furnished by the Public Works Administration that California has been generous in its requests for projects.

Mr. KRAMER. I know we are generous in our requests, but we do not get anywhere.

Mr. WOODRUM. I think the gentleman will get them. At least I hope he will.

Mr. EDMISTON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from West Virginia.

Mr. EDMISTON. My State has a constitutional provision prohibiting it from borrowing. I did not exactly understand the gentleman's explanation of the 25-year lease program.

Mr. WOODRUM. If the gentleman has a million-dollar project which he wants and his State has constitutional limitations under which it cannot borrow, they may get the million dollars from the Public Works Administration. The Public Works Administration would acquire land for the construction of such project, and then either construct the project itself or advance the money to the State for such construction. The project would be leased to the State on a basis that would pay back to the Federal Government not less than 55 percent of the cost, including the cost of the land, with interest over the 25-year period. In either case the Federal Government would retain title to the project until the State had paid its share of the cost with interest.

Mr. BEITER. At that point, what will be the rate of interest? I would like to see a provision not to exceed 4 percent.

Mr. WOODRUM. It will not be over 4 percent. It may be less than that in some instances.

Mr. PARSONS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. PARSONS. I notice no further applications will be accepted after August 31, 1938. The P. W. A. will be permitted to accept applications between the passage of the act and that date?

Mr. WOODRUM. Yes, and they may consider the applications after that date. And, by the way, the date has been changed by committee amendment to October 1.

Mr. PARSONS. Section 10, page 9, has this language with reference to employment on the W. P. A.:

In the employment of persons on projects under the appropriations in this title applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

Will that permit the W. P. A. to certify its own people outside of the relief certification agencies in the various counties of the State?

Mr. WOODRUM. That is existing law. It is the same provision that we have in existing law.

Mr. PARSONS. There is nothing in the bill to authorize or direct the W. P. A. to make its own certifications of relief plans?

Mr. WOODRUM. They can do it by changing their regulations. There is no mandatory provision in the bill requiring them to do it.

Mr. THOMASON of Texas. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Before asking the gentleman from Virginia a short question, I hope the gentleman did not agree with the statement made by the gentleman from New York [Mr. BEITER] that Mr. Jesse Jones had not made any loans.

Mr. WOODRUM. That was the gentleman's statement, not mine.

Mr. THOMASON of Texas. As I view it, he has lent a good many million dollars upon sound security.

Mr. BEITER. To the railroads mostly, not to small business.

Mr. THOMASON of Texas. No; I take issue with the gentleman on that question. Now, I want to ask the gentleman from Virginia a question.

What provision is made in the bill for needed Army housing?

Mr. WOODRUM. The measure provides that not to exceed \$100,000,000 of P. W. A. funds may be used for certain specified classes of Federal projects to be approved by the President.

Mr. THOMASON of Texas. I recall that recently the Congress authorized, as I remember it, about \$23,000,000 for Army housing with priorities established. Does not the

gentleman think that legislation ought to be carried into effect in view of this building program, when there is a great emergency need all over the country for Army housing?

Mr. WOODRUM. I agree with the gentleman, and that is the reason the provision appears in the bill to require the use of not more than a certain amount for good Federal projects.

Mr. THOMASON of Texas. In whose discretion will it be whether or not any part of that \$100,000,000 shall be allocated to Army housing or earmarked, or whatever you want to call it?

Mr. WOODRUM. The Public Works Administration, with the approval of the President.

Mr. THOMASON of Texas. That will be up to Secretary Ickes under the President.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. GARRETT. Under the provisions of this bill will P. W. A. projects which have been approved have priority over any of those to be filed?

Mr. WOODRUM. We are told by the P. W. A. that they will.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. I was about to ask the gentleman the same question that was propounded by the gentleman from Texas in regard to heavy construction at Army instrumentalities. Who did I understand the gentleman to say has the decision concerning which Army instrumentalities, if any, shall be selected?

Mr. WOODRUM. The gentleman will find in subsection (c) on page 18 a provision that "not to exceed \$100,000,000 shall be allotted to Federal agencies for Federal construction."

The procedure would be that the agency, in the gentleman's case, the War Department, would apply to the Public Works Administration for the erection of a barracks at such and such a post. If it has been authorized by Congress, it is eligible for consideration, and the Public Works Administration, taking into consideration the employment it will afford and the expedition with which the project may be gotten under way, and other pertinent factors, will have the right to consider that as an eligible project. However, it has to be approved by the President.

Mr. LEWIS of Colorado. I may say to the gentleman that upon inquiry I have been advised that the War Department is prepared to go ahead immediately, because they have their plans and specifications already drawn. I believe there is no other feature of this program which could be started more expeditiously.

Mr. WOODRUM. There are about \$17,000,000 or \$18,000,000 of their projects in continental United States that have been authorized by law.

Mr. LEWIS of Colorado. Furthermore, under the Wilcox bill there have been a number of authorizations for construction at Air Corps stations.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Nebraska.

Mr. STEFAN. On page 4 of the report there is an item of \$100,000,000 for roads. That is the appropriation we made for 1939 in the agricultural appropriation bill?

Mr. WOODRUM. The gentleman is correct.

Mr. STEFAN. This is not in addition to what else there will be in this appropriation for highways? There is no specific amount earmarked for highways in this bill?

Mr. WOODRUM. The W. P. A. is authorized to expend funds for road work in the use of relief labor. The \$100,000,000 does not in any way have anything to do with this expenditure under W. P. A.

Mr. STEFAN. No. That is an item I want to clear up. Throughout the bill there is no specific amount for farm-to-market roads or secondary roads, which the President stated at one time provided more employment than any other road work.

Mr. WOODRUM. There is no special amount earmarked, but the gentleman will find in lines 18 and 19, page 2, under the category of projects, of which highways, roads, and streets are a part, that \$425,000,000 may be used, and the program of the W. P. A. has always included a very large amount for this type of construction.

Mr. STEFAN. The gentleman would assume, then, there would be about \$425,000,000 that could be used for farm-to-market roads or any other kind of highways?

Mr. WOODRUM. For all of that type of projects. There are a number of other categories of projects in that provision.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SIROVICH (reading):

Without warning orders have reached sponsors that 24 W. P. A. projects in New York City will be discontinued and the workers reclassified. This move is based upon the new ceiling that man plus material cost per individual shall not exceed \$1,000 per year, instead of \$1,240 which they have received in the past, cutting the purchasing and consuming power of all these workers. This order will be completed April 30, 1938.

I may say to the distinguished member of the Committee on Appropriations that thousands of telegrams have come to all the Members of the New York City delegation and committees have visited us in an effort to change that situation, because it is ruining the W. P. A. projects in New York. Would the gentleman and his committee be willing to approve an amendment which we will offer on Thursday to discontinue this tragedy?

Mr. WOODRUM. That is entirely a matter of administrative control and does not figure in the bill. As the gentleman can understand, it would be impossible to write rules and regulations for W. P. A. employment into the bill.

Mr. SIROVICH. Does the gentleman believe it is fair?

Mr. WOODRUM. I do not know the facts. I know the gentleman and his colleagues have been very active in trying to get this matter adjusted, and I hope the W. P. A. will be able to straighten the matter out.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I believe the gentleman may have stated this, and, if so, I wish he would repeat it. What is the total appropriation for the entire program?

Mr. WOODRUM. In this bill?

Mr. HEALEY. Yes; in this bill, for the entire program.

Mr. WOODRUM. The direct appropriation total is \$2,519,425,000, plus a small amount of unexpended balances. Then, there is the \$500,000,000 revolving fund in the P. W. A. to be made up of proceeds from sale of securities and to be used for loans. The United States Housing Authority, if and when it comes into the program, would have an increase of \$300,000,000 in the amount of federally guaranteed bonds it could issue.

Mr. HEALEY. Has the gentleman the total of all that?

Mr. WOODRUM. That is the total of it.

Mr. HEALEY. The gentleman has given the items but not the total.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Florida.

Mr. GREEN. The P. W. A. provision under this bill is dissimilar to existing law. Is it as liberal toward the local communities as the existing law?

Mr. WOODRUM. Very much more liberal. It takes care of those local communities that cannot borrow because of constitutional limitations. It provides for new projects you cannot now apply for. It provides money for new loans and grants.

Mr. GREEN. It is 3 percent interest only.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Ohio.

Mr. HARLAN. As I understand the bill, the provision that the gentleman was referring to is at the bottom of page 19, and the gentleman from Virginia, who now has the floor,

said that was a rental provision. I note that at the end of that clause there is the statement that "at least 55 percent of the amount so advanced with interest thereon for the period of amortization." Is there not a question there as to whether that could be construed as a rental? If there is a definite obligation to amortize, would there not be a conflict?

Mr. WOODRUM. If the gentleman will refer to section 201 on page 18, lines 10, 11, and 12, under subsection 3, "the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies," and this, in connection with the language to which the gentleman has referred at the bottom of page 19, I believe, covers the situation.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. HAINES. Am I correct in assuming that the same method of making application will obtain as has obtained in the past, and your application will be made to the Regional Director of P. W. A.?

Mr. WOODRUM. The gentleman is exactly correct.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. As I understand, there is a definite limitation upon administrative expenses placed in this bill in connection with the Public Works Administration. Does that apply to Works Progress Administration as well?

Mr. WOODRUM. A definite limitation of 5 percent on W. P. A., and we fix a money limitation on P. W. A. in this measure.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. IZAC. As the gentleman knows, there are 2,740 projects that have not been completed, although they have been approved by P. W. A. Suppose those communities went ahead and started the work, is it still possible for them to get the 45-percent grant?

Mr. WOODRUM. It is still possible for them to do that on the uncompleted portion subject to P. W. A. requirements.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. BOILEAU. In the agricultural sections of the country the finest projects are these marl and lime projects referred to at the top of page 3, under W. P. A., as—

Projects for the production of materials for fertilizing soil for distribution to needy farmers under such conditions as may be determined by the sponsors of such projects under provisions of State law.

Is it the gentleman's understanding that that language is broad enough to include these lime and marl projects that have been carried on quite extensively throughout the country in the agricultural areas?

Mr. WOODRUM. It is, but the word "needy" is in there.

Mr. BOILEAU. I noticed that.

Mr. WOODRUM. The committee thought it ought to restrict the projects to farmers in need.

Mr. BOILEAU. Does not the gentleman believe that might destroy an entire project? For instance, if you have a group of 100 farmers that need this lime for their soil and only 25 of them are what might be classified as needy, that might destroy the whole project, and does not the gentleman believe in view of the soil conservation program that has been carried on, so long as these farmers pay the cost of the machinery that is involved and haul the lime themselves, this word "needy" ought to be stricken out so as to make it available in a larger area and make it actually more efficient?

Mr. WOODRUM. That argument was presented to the committee and they considered it very carefully. They felt the program ought to be restricted to farmers in need.

Mr. BOILEAU. I hope the gentleman will reconsider that decision for the reason that we might not be able to carry on such a project in a community that needs it very badly

because only a small percentage of the farmers might be in need.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. SAUTHOFF. I notice at the top of page 6 of the report the program is estimated on the basis of a 7 months' period ending at the end of January 1939.

Mr. WOODRUM. That is W. P. A. only.

Mr. SAUTHOFF. The difficulty in my State is that February is our coldest and hardest month.

Mr. WOODRUM. Of course, the gentleman understands that the reason for projecting it only 7 months is with the thought that when Congress reassembles in January it will then be able to have a very much better perspective as to whether the program should be restricted or enlarged according to the economic conditions at that time.

Mr. SAUTHOFF. I appreciate that, but usually it means they get laid off for about 2 or 3 weeks.

Mr. WOODRUM. I think the Works Progress Administration will take into account the fact that January and February are heavy months and so adjust their programs in the light months to be able to meet that situation.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. As I understood from the long and well-told and well-emphasized story at the beginning of the gentleman's remarks about the necessity for hypodermic injections, the gentleman really thinks that this spending program is only a shot in the arm and will not have any very lasting effect on the general prosperity of the country; is that true?

Mr. WOODRUM. I think if this program accomplishes what it is claimed it will accomplish and start the spiral on an upward trend, it will have accomplished its purpose. The gentleman can call it a transfusion, a shot in the arm, a stab in the back, or a kick in the pants, but if it starts things going again, it will be worth what it will cost.

Mr. SNELL. Right there, we have had the experience. Originally the first one of these spending programs was an experiment and no one knew what would be the outcome.

Mr. WOODRUM. Does the gentleman say that that did not help anything?

Mr. SNELL. I think, as a general proposition, that we are just as bad off today as when we started spending the money. Let me ask the gentleman this question.

Mr. WOODRUM. I thought I had the floor, but go ahead.

Mr. SNELL. Very well, take the floor and keep it. I want to ask a question, but the gentleman insists upon asking me one before I get through with it.

Mr. WOODRUM. I shall be good. Go ahead.

Mr. SNELL. That is all I wanted to say. I said the original proposition of spending the \$5,000,000,000 was an experiment, and no one definitely knew what would happen, but now it is a demonstrated fact that it is a failure.

Mr. WOODRUM. What does the gentleman think could have been done instead of that program?

Mr. SNELL. I think we should stop some of this expenditure on the part of the Government.

Mr. WOODRUM. Does the gentleman think that would have put people to work?

Mr. SNELL. Some of it would, because it would give encouragement to people to go on and do business.

Mr. WOODRUM. Does not the gentleman think people need something more than encouragement to do business? The gentleman does not want to answer that—the gentleman gets mad and runs off.

Mr. SNELL. Oh, I am staying right here, and will be here tomorrow, and I do not change my position either.

Mr. WOODRUM. Very well. Speaking of changing positions, the proverb says that the wise man changes his mind and that the fool never does.

Mr. SNELL. That is a smart quotation, but it depends how often you change your position. Now, let me ask the gentleman one. Was it not the gentleman who made a great speech about a year ago to cut relief from a billion and a half to a billion dollars?

Mr. WOODRUM. Yes; I am the one.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that I be permitted to yield myself 10 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SNELL. It has been generally understood from private conversation and from quotations in the newspapers that the gentleman from Virginia is against this lump-sum appropriation, and that he would insist on having these large appropriations earmarked. The newspapers state this morning that after a visit to the White House the committee changed its opinion. Will the gentleman tell us the reason why?

Mr. WOODRUM. The committee has not changed its opinion. The appropriations are made directly to the agencies. W. P. A. projects must be approved by the President. There ought to be a check on those projects and just the same in P. W. A. They are made direct to the agencies. There is no lump sum in there. You could not earmark these appropriations any further unless Congress wanted to sit down and select the individual projects, which would be the worst possible thing that could happen.

Mr. SNELL. That is partly true; but has not the gentleman changed his opinion?

Mr. WOODRUM. I will say that a man who serves in this body has to change his mind in the course of a day's work, and he should always try to change it in the right direction.

Mr. SNELL. But if he changes too often, how can he expect people to follow him? Let me ask the gentleman one other question. We know why the gentleman changed his mind. Of what real value will these contracts be with the States where they have no authority to make these contracts for leasing these public buildings?

Mr. WOODRUM. It will enable them to get the benefit of the 45 percent grant.

Mr. SNELL. Yes, they may get the benefit; but if they have no authority to make the contracts, what good is the contract with the Federal Government? How is the Federal Government going to get its pay?

Mr. WOODRUM. We are told that the constitutional limitations against going into debt do not apply to the making of a lease. That is, a community that could not borrow a million dollars could make a lease over a period of years to rent the building. The structure would be on land bought by the Government and it would hold title to the whole project until full payment was made.

Mr. SNELL. Does not the gentleman consider that obligation a debt?

Mr. WOODRUM. Yes, it is an obligation.

Mr. SNELL. Is it not a debt on the community?

Mr. WOODRUM. It is an obligation of the community but not a debt within the constitutional limitations.

Mr. SNELL. Then it is unauthorized and cannot be collected.

Mr. HARLAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARLAN. In the case of a colloquy of this kind is the time divided between the majority and the minority, or is it used by the minority against the majority?

Mr. SNELL. Oh, if the gentleman finds my question embarrassing he has the right not to answer the question if he so desires.

Mr. KNUTSON. Mr. Chairman, if the gentleman from Ohio [Mr. HARLAN] were as free with his time as he is with the public Treasury there would be no difficulty.

Mr. CITRON. Under section 205 (b) of the Public Works Administration Extension Act of 1937, preference was given

to projects approved at elections held prior to the date of that act. The P. W. A. determined that failure to hold a permissive referendum in the city of New Haven was not equivalent to an election. Will the new bill change that provision?

Mr. WOODRUM. Under the 1937 act, the money made available for grants was insufficient to take care of all projects that had been approved by the P. W. A. Hence the act gave a preferred status to the classes of projects mentioned in section 205, including projects authorized at elections. The preferences in section 205 of the P. W. A. Extension Act of 1937 do not apply to the funds made available by the present measure and the committee is opposed to any effort to earmark funds for any particular class or classes of projects. Therefore, under this measure, no election would be necessary unless required by State law.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. JOHNSON of Oklahoma. As I understood the gentleman's answer to a question a few moments ago with reference to the two-thousand-seven-hundred-odd P. W. A. projects that have heretofore been approved, in case an approved project did not get the money but started work with their own finances, such a project would be eligible under this bill.

Mr. WOODRUM. That is my construction of it, as I have heretofore explained.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAPES. As I understand, \$750,000,000 is appropriated in this bill for P. W. A. projects.

Mr. WOODRUM. For grants.

Mr. MAPES. For grants; and that something like \$400,000,000 of projects had been approved.

Mr. WOODRUM. That, too, is for grants.

Mr. MAPES. For grants. Is it the gentleman's understanding that these grants are going to be made without any further procedure being taken? Is that money frozen, fixed for that amount?

Mr. WOODRUM. No; I do not so understand it. P. W. A. tells us they will be on their highly preferred list, that they are ready to go forward with those projects if there have not been intervening circumstances or situations of an adverse nature.

Mr. MAPES. But they reserve the right to make the grants as they see fit if in their judgment it is unwise to make the grant.

Mr. WOODRUM. Certainly, and they have to be approved by the President.

Mr. TAYLOR of Colorado. Mr. Chairman, if the gentleman from Virginia will yield that I may make a statement to the gentleman from Michigan [Mr. MAPES], I may say that we learned that now the States do not want to go through with quite a number of projects that have heretofore been approved.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BATES. The Members of the House, and I believe the people of the country, are generally under the impression that we have a very serious unemployment situation throughout the country. I am asking the gentleman why it is that the Federal Government is asked to contribute money to some of those States of the Union where the Governors of those States in the public press say there is no depression, there is not even a recession, and then compare the industrial and employment condition of the States with other States of the Union which are having difficulty in meeting their unemployment situation?

I have particularly in mind a tabulation I received from W. P. A. this morning in which I find that the combined expenditure for direct relief in an entire State is less than what it is in one small community in the State from which I come. As an illustration, in one State the total expenditure for relief is only \$46,000, yet the Government gives \$12,000,000 to that State for relief. The same condition

runs down through a number of the States of the Union. Why are other States of the Union that have great relief problems to contend with, States which are finding great difficulty in getting the money, being assessed to take care of a relief problem that does not exist in these other States?

Mr. WOODRUM. I do not know the tabulation the gentleman has; but, of course, the whole relief problem is based on placing the relief where the unemployment exists.

Mr. BATES. Why is that not done? If we have unemployment in a State why should that State not pay at least a real part of the cost and not just 1 or 2 percent, as is done in many of the States? I think the gentleman is quite familiar with that situation. Has the committee gone into this situation at all?

Mr. WOODRUM. We had pretty full hearings on it, I may say.

Mr. BATES. And to what conclusion has the committee come?

Mr. WOODRUM. The committee has come to the conclusion that relief ought to go where unemployment exists; and as far as it can provide that by legislation it has done so.

Mr. BATES. Has the gentleman and the committee become acquainted with the figures I have here?

Mr. WOODRUM. I do not know what figures the gentleman has, but the committee went into it very fully.

Mr. BATES. The gentleman knows, and I presume his committee knows, that some of the States contribute only 1, 2, or 3 percent.

Mr. WOODRUM. I know there is a good deal of variation. Some are not able to contribute anything.

Mr. BATES. They come pretty near not contributing anything. The gentleman knows that is true.

Mr. WOODRUM. There is some truth in the statement that some of the States contribute very little. Some have very little unemployment.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. KNUTSON. In view of the fact that the bill has only come from the printer, I have not had time to go over it. The gentleman told the House that the bill contained a provision that all applications for P. W. A. grants must be in by November 8.

Mr. WOODRUM. Before October 1, 1938.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MARTIN of Colorado. What would be the status of a municipal P. W. A. project that had been approved but was caught in the shut-down last fall, a project which since that time the community has gone ahead with and perhaps two-thirds completed?

Mr. WOODRUM. The community would be eligible for assistance in completing the project on the basis of a grant and loan, or a grant, as the case may be, subject to P. W. A. requirements.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mrs. ROGERS of Massachusetts. What does the bill provide with regard to flood relief?

Mr. WOODRUM. There is provision for such work under W. P. A. projects with the proviso that 90 percent of the labor used on the project must be relief labor.

Of course, we have put additional funds in the War Department bill for flood control, as the gentlewoman knows; \$35,000,000.

Mrs. ROGERS of Massachusetts. We will not gain anything out of that up in Connecticut and our section of the country where we have the Merrimack and Connecticut Rivers. We have a very dangerous and serious situation up there.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 2 additional minutes.

Mrs. ROGERS of Massachusetts. How much will be set aside for veterans' hospitals?

Mr. WOODRUM. One hundred million dollars of P. W. A. funds may be used for Federal projects. Veterans' hospitals come in under that.

Mrs. ROGERS of Massachusetts. Would the gentleman consider earmarking \$15,000,000 for that purpose?

Mr. WOODRUM. The gentleman will oppose any direct, specific earmarking of any funds. We have provided funds and these projects will have the opportunity to go through the same channel as all other projects and I feel confident that the veterans' projects will be given consideration.

Mrs. ROGERS of Massachusetts. How about Army projects?

Mr. WOODRUM. There are some.

Mrs. ROGERS of Massachusetts. They will be generously taken care of?

Mr. WOODRUM. Yes.

Mr. GARRETT. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. GARRETT. Many independent school districts, in which thriving cities are located and whose facilities for school purposes are wholly adequate, have reached the constitutional limit so far as bonds and warrants are concerned. In the gentleman's opinion, would this lease proposition under the pending bill be available to those school districts?

Mr. WOODRUM. It will be available to the community or locality if it wishes to apply.

Mr. BEITER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. BEITER. Under the language of the act, would it be possible to transfer the duties and functions of the present Federal Emergency Administration or the Public Works Administration to some other agency in the Government, or will those duties and functions that rest in the Interior Department with the Secretary remain there?

Mr. WOODRUM. The Public Works Administration is an independent agency. It is not a part of the Interior Department. Under the law the President names the administrator, and he made the Secretary of the Interior the Administrator. That is why it happens to be in the Interior Department. I assume it will remain there. Of course, the President could name another administrator.

Mr. BEITER. That is true. I have my own fears, and, speaking for myself, I was under the impression when the Housing Act was passed it was going to remain with the Secretary of the Interior; however, another man was appointed, and those duties turned over to a new agency.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I was unable to understand after the gentleman from Virginia concluded whether he regarded this bill as an opiate or as a blood transfusion. Frankly, it looks very much as if it was designed as an opiate to keep the people fooled until after election, and that is about all.

Mr. Chairman, I want to go through this bill and would like to have the attention of those who are interested. I direct attention to page 9 of the report and to the actual facts with reference to what is carried in the bill. I have estimated the unexpended balances that are authorized to be appropriated as well as I can from the testimony and from past performances. There is no question in my mind but what there will be \$1,300,000,000 for the W. P. A. Mr. Hopkins said \$1,263,000,000, but last year there were \$242,000,000 left over. The unexpended balances estimated in the Farm Security outfit is practically \$3,000,000, in the National Youth Administration practically \$2,000,000, and P. W. A. approximately \$112,000,000.

The committee took the recommendation of the President with reference to the P. W. A. and raised the authority \$500,000,000 above the President's message. The President proposed \$450,000,000 for grants and \$550,000,000 for loans. This bill provides \$750,000,000 for loans and \$750,000,000 for grants. There is absolutely no question but what those

figures can be reached and they are \$500,000,000 above the recommendation of the President.

These unexpended balances were not recommended and the total amount that may be spent under this bill is \$3,223,425,000. I am going to ask permission of the House to include in the RECORD a table showing just exactly how the committee has done this and then I am going to make the assertion I believe this is an absolute waste of the people's money. What kind of a situation have we?

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. That figure is on the basis of a 7 months' appropriation for the Works Progress Administration.

Mr. TABER. Yes. It will require another billion dollars probably to carry on the W. P. A. for the 5 months following February 1. On top of that there are other appropriations recommended by the President, including \$300,000,000 for loans on housing, a billion and a half dollars for R. F. C. loans, which, together with the amount that will be required to carry the operation along, and together with the amounts that have already been carried in the bills heretofore passed by the House, makes \$6,157,425,000 as the probable expenditure during the fiscal year 1939 if they are able to put out all this money in that time. Of course, in all probability the P. W. A. will not be able to put all this money out.

Pursuant to the consent given me, I submit the following table:

President's proposals

1. Expenditures from the Treasury for work:	
W. P. A.	\$1,250,000,000
Farm Security Administration	75,000,000
National Youth Administration	75,000,000
P. W. A.	450,000,000
Federal buildings	25,000,000
Total	1,875,000,000
2. Loans from the Treasury for work:	
Administrative	50,000,000
Farm Security Administration	100,000,000
P. W. A.	550,000,000
Total	2,575,000,000

Committee proposals in this bill

1. Expenditures from Treasury for work:	
W. P. A.	1,300,000,000
Farm Security Administration	178,000,000
National Youth Administration	77,000,000
P. W. A.	862,000,000
Federal buildings	25,000,000
Puerto Rico	8,000,000
2. Loans from Treasury for work:	
Administrative	23,425,000
P. W. A.	750,000,000
Total	3,223,425,000

This means \$648,425,000 above the Budget estimates.

However, they probably could spend half of it, so that you probably would have to take out of the P. W. A. expenditures one-half of the amount because they could not spend any more than half of it in the fiscal year 1939. In the fiscal year 1940 they probably would be spending most of the rest of it.

What is the situation? This bill calls for approximately \$1,300,000,000 for the W. P. A. What kind of a service is that? Let me read you a comment sent to me by a friend of mine who was touring through the country in an automobile.

In auto on April 28, 1938: Pennsylvania route 11 (from Binghamton, N. Y.); Kingsley, Pa., and route 106 through Honesdale and Hawley; route 6 to Milford, Pa.

Probably passed through 15 to 20 relief road gangs, some probably 20 people, some smaller numbers; but no matter the numbers, some 90 percent of each gang were exemplifying not the abundant life but the abundant loaf.

The handling of labor is no new experience for me, and a loafing gang is loafing with the consent of the gang foreman. A gang foreman permits loafing only under orders from his "higher-up" boss (as foreman wants to protect his own job).

A usual custom was the placing of a sign, "Resume speed," beyond the gang, but always so far away from the gang that the gang

could not read it, otherwise the gang might have used "speed," I suppose.

Passed some highway department workers, who were working (thank God).

Every one of you has had that same experience. I have driven through a great many States in an automobile and I have never failed to see that situation duplicated wherever I have run into that kind of a crowd.

I have here a picture, taken from a paper in my own territory, of the kind of a job they do where they put in a sewer. This shows the way they left the road, so nobody could get through it. What does it mean? It means we are turning \$1,300,000,000 over to an outfit that has no efficiency and that does not help to maintain the morale of the American people.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. In the very first part of the bill it is stated that this money shall be spent on useful projects. Does that mean anything, or has it meant anything?

Mr. TABER. No; it has meant absolutely nothing. It has meant frittering the funds away.

Mr. GIFFORD. Fifty miles of stone wall was built on land worth not more than \$2 an acre. The wall was built by people transported 40 miles to do the work. By any stretch of the imagination can that be called useful public work?

Mr. TABER. No; there is absolutely no possibility of that.

Mr. GIFFORD. Then no attempt has been made on the part of the committee to define that language further?

Mr. TABER. No; it would not do any good if it did.

Mr. GIFFORD. Am I mistaken in that the gentleman from Virginia has heretofore pleaded that there should be earmarking of these funds?

Mr. TABER. Yes; but not in a specific way for specific projects. I do not believe he has ever gone as far as that.

Mr. GIFFORD. Is not the only earmarking in this bill subject to the approval of the President?

Mr. TABER. Yes. There is no earmarking in here other than has appeared before, except with reference to administrative expenses for auditing and for writing checks. That is the only earmarking we have.

Mr. GIFFORD. There is no attempt on the part of the committee to have the decision made by a nonpolitical body or any portion of a State body with authority?

Mr. TABER. No attempt whatever.

Mr. GIFFORD. Although testimony on it may have been presented to the committee, the committee did not consider State control of this matter at all?

Mr. TABER. Oh, no; because there might be some efficiency if they allowed that. I believe these funds should be turned back to the States for administration and disbursement, with proper regulation by a nonpartisan board, and that we should get to the point where we have courage enough to be something other than "rubber stamps." We should demand of the best people in our communities that they take charge of this relief problem and see that the money is given out in a proper way and efficiently, and thus cut down the waste that exists in connection with it. [Applause.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Some time ago, immediately following the President's message, I inquired of the gentleman if he thought it was practical to earmark funds to be handled along the lines we have heretofore followed and as indicated in this bill. Since the developments of the last 2 weeks, may I ask the gentleman, in order to get it into the RECORD, does the gentleman believe it is practical for strict and genuine earmarking ever to be applied to this kind of a program involving large sums, where the Congress really has effective control of the expenditures, unless the administration of it does go back to the local authorities?

Mr. TABER. In my opinion, it can only be done by sending the money to the local authorities to be handled by a nonpartisan board in order to get any fair result in the nature of

relief. I do not believe we can earmark every project or that such a course should be undertaken in the legislation.

Mr. CRAWFORD. The gentleman refers to a nonpartisan board. Does the gentleman mean a local board?

Mr. TABER. I mean a local board, and I mean a Federal board also.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. COCHRAN. In reference to the sewer project to which the gentleman called attention, as referred to in a Syracuse, N. Y., paper, is it not a fact that wherever W. P. A. participates in a sewer project it is on the recommendation of the local and State authorities only? Therefore, if this project is wrong, the local authorities and the State authorities are the ones who are responsible.

Mr. TABER. No; because when they do a rotten job, the fellows who have charge of doing the job are under the W. P. A. and not under the local authorities.

Mr. COCHRAN. Why should the county or the city or the State ask the W. P. A. to participate in a sewer job unless they are going to be satisfied with the work?

Mr. TABER. They just got stuck, that is all. They thought maybe the W. P. A. would do a decent job; but they did not.

Mr. COCHRAN. Would the gentleman contend that you should fix the street immediately the sewer is laid? Would you not want them to give the dirt an opportunity to settle before constructing the street?

Mr. TABER. They had 8 months for the dirt to settle.

Mr. COCHRAN. This picture does not indicate that.

Mr. TABER. And they did a bum job; that is all there is to it. I cannot yield any further right now.

This W. P. A. business is entirely inefficient. We are just wasting the money. We ought to throw it away and get rid of it and have an honest proposition in administering relief.

I now want to talk about this P. W. A. proposition. I have here a statement, which I put in the RECORD several days ago, showing the amount per capita that would go to the different States under the P. W. A. allotments. They range from 75 cents in Arkansas to \$32 in California. No one can tell me this means a relief proposition. No one can tell me there is any such thing as a distribution of that load according to relief demands. On top of this we are at the present time facing a situation where if you are going to do anything for relief you ought to do it now and not next spring.

These P. W. A. jobs will not be started much before the 1st of January, and they will be a year and a half in completion. They are not pertinent to a current relief problem. They have no place here and no business in a relief bill. Therefore we ought to put that out of any relief bill and consider it as a project bill and as to whether or not the United States can afford to make \$750,000,000 of grants and \$750,000,000 of loans to the different units throughout the country.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a brief question there?

Mr. TABER. If it is a pertinent question, I will yield.

Mr. SIROVICH. I heard the distinguished chairman of the subcommittee state there were 1,240 or 1,270 projects that are not ready now to go on immediately?

Mr. TABER. They are the projects that I referred to. There are 2,714 projects said to be ready, totaling \$1,000,000,000 and calling for grants of \$438,000,000, but they are not ready to go on immediately. The examination of Secretary Ickes indicated it would be 4 or 5 months before they would go on, and there is not any sense in trying to lead people to believe you can take projects of that character and go on with them immediately, because it takes a very considerable time to polish these things up and get them in shape and then let the contract.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield to me just a second so I may ask the chairman of the subcommittee if these projects can be begun at once?

Mr. WOODRUM. If the gentleman from New York [Mr. TABER] cares to be interrupted—

Mr. TABER. I will yield.

Mr. WOODRUM. It was stated there were many of these projects that could be gotten under way immediately, and some of them will take 60 or 90 days to get in operation.

Mr. TABER. And some of them will take a great deal longer than that.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BATES. I know from personal experience that a great many of these projects are not even developed in the elementary stage.

Mr. TABER. I know that is true.

Mr. BATES. They were asked to submit them to the P. W. A. a year ago and 2 years ago and the preliminary plans have not been developed yet.

Mr. TABER. I know of instances where the projects have all been completed because they could not get the grant out of the P. W. A. without having it cost them more than it would take to build it themselves.

Mr. KNUTSON. Mr. Chairman, will the gentleman tell the House why it should be necessary for the regional offices to telegraph about a month ago all the applicants who were not given their grants last year? Would not a letter have served the purpose just as well?

Mr. TABER. I suppose they thought they could not get the attention of these fellows without waking them up with a telegram. They probably do not read their mail. [Laughter.]

Now, this P. W. A. proposition is an item that absolutely does not have any bearing on the relief picture at all.

It is a waste, it is an extravagance, and it is divided up in such a way, as I called attention to a little while ago, so that it is not a fair distribution throughout the country.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. GIFFORD. Is it not a fact that the wealthy communities that can well afford the 55 percent are still standing and waiting for this Government, and that it is not the communities that really need it that are getting the P. W. A. help after all? Is not that true?

Mr. TABER. It is true to a large extent.

Mr. GIFFORD. It is very true.

Mr. TABER. It is true, more than anything else, that the bulk of these P. W. A. projects are not in localities where the relief burden is the worst.

I go back for a moment to this item on page 19 (e) from line 19 on page 19 down through the rest of the page, and the first two lines on page 20. That is where leases may be made, it is said. That provides that "the Administrator may, with the approval of the President, advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not exceeding 25 years, at least 55 percent of the amount so advanced, with interest thereon for the period of the amortization." That can be nothing more than an absolute outright agreement to pay back, and under these provisions of the constitutions and laws of these States, where there is a limitation upon the borrowing power, and the right to issue obligations, this kind of an obligation to the Federal Government from the State or the municipality would be absolutely void. It does not take even a lawyer to see that. The plain language of it is enough.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. CRAWFORD. Let us assume for a moment that it was enforceable. Then what about the third party who purchased the obligation under the constitutional limitation or otherwise. Would it not deprive him of what he would have received in the payment of his claim against the municipality under the constitutional provisions?

Mr. TABER. There is no question about it. They could not enforce it.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SIROVICH. Is it not a fact that the finest and most wholesome constructive work in the P. W. A. has been the building of bridges and tunnels and the finest schools, which are self-liquidating? In their nature they have been done through the medium of the P. W. A.

Mr. TABER. Oh, no; the P. W. A. has not done constructive work. It has done extravagant work. It has done a lot of projects that are wonderful, but every one of them cost more money than it should, and they have been built with funds which have been dumped into this situation, and all they have really accomplished toward the welfare of the country is to build up a great big overpowering debt, which is a menace to the employment of our people and a menace to the return of prosperity. That is the situation.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MASON. Along that same line, I know of one P. W. A. project that had been approved by the Government, the money had been allocated, and when the thing was investigated it was found it would cost a great deal more than that way for the local community than it would to build it itself, so the amount was refused, and the local community built it and saved money.

Mr. TABER. Oh, there are hundreds of such cases. I direct attention now to one or two things in connection with these projects. P. W. A. is supposed to have supervision over these things. What kind of supervision does it have? On page 393 of the hearings I read:

Mr. TABER. When you make a loan or grant is there anything done by your organization to determine whether or not there is a need for the facilities you are providing?

Secretary ICKES. Yes; we look into that question.

Mr. TABER. Do you determine whether or not there will be a duplication of facilities?

Secretary ICKES. That is a factor that is taken into account.

Mr. TABER. Does that govern?

Secretary ICKES. Not necessarily so. The theory is that the community itself is in a better position to determine what facilities it wants. Other things being equal, we do what the community wants us to do, if they are in a position to afford it.

That is the kind of supervision you get. There is not anything that possibly could be in the nature of help in this P. W. A. situation.

Let us look at the bill. The gentleman from Virginia [Mr. WOODRUM] said first it was an opiate; later on he said that it was a shot in the arm. I asked a distinguished doctor, a Member of this House, if the two were the same thing, and he told me maybe. Then I asked him if an opiate and a blood transfusion were the same thing and he said no. What is the situation we are in?

As we approach the consideration of this bill labor is down and out of employment as a result of the operations of the notorious Labor Relations Board. Industry is down, largely for the same reason—but more than that, because of other policies of the Government which I shall enumerate. Mining is down. Agriculture is down because of the regimentation policy of Secretary Wallace and the A. A. A.; because of the allotments of agricultural products that have been made with a view of producing a scarcity rather than to permit a natural growth and expansion of production so that our people might have something to eat. All of them are down because of the terrific spending program of the Government over the last 5 years.

During the last 5 years, approximately \$18,000,000,000 has been spent on one kind of alleged relief or another, almost entirely for the promotion of political rackets.

And here comes the Committee on Appropriations—supposed to be a constructive and conservative force—with another bill designed not to relieve the depression, but to make it more acute and make suffering more intense. This bill will not provide any relief. Under it the problem of taking care of almost all of those in real distress is left to the local communities and the States.

On top of that, we are attempting to foist a tremendous building program on the people, the cost of which will run \$1,500,000,000, under the P. W. A.—a program of public

buildings erected, in many cases, not because of the need, but because of the desire of the people for monumental structures—a program, which if properly handled would be a nice thing if we could afford it, but we cannot afford it when we are facing a possible deficit of \$8,000,000,000 in 1939 if this money can all be spent within the fiscal year 1939. It means such a burden of debt for future generations that it does much more to thwart recovery than to promote it.

I am appealing to the Congress to throw off the role of "rubber stamp" that it has carried for the last 5 years and to approach the problem of unemployment and relief from a constructive basis. It is time in the Nation, in each State, and in each local community for us to demand of the very best and ablest men we have that they give of their ability and of their time whatever the demands may be—enough to try and solve the relief problem. It is time that we turn our funds back to the local communities where our local people know who is entitled to relief and relief employment and let them work it out, without interference from a high-handed governmental bureaucrat.

I am appealing to the membership of the House to cast aside fear of political reprisals and do what I know the honest judgment of every Member of the House calls for, try to meet this problem, repeal the National Labor Relations Act, repeal the agricultural scarcity act, and give our farmers and our business people a chance to put people to work, have honest relief instead of promoting a tremendous building program as a racket.

Before it is too late let Congress assert itself, let its Members show that they have been thinking of this problem and are honestly trying to solve it regardless of pressure from the Executive; let us stand up and fight for this American system of government that has made this country great. Let us not place any more curses on the unemployed. Let us not place more debt on the people for projects that we can get along without.

This bill calls for upward of \$649,000,000 above the Budget estimates, and will start and carry forward a wild orgy of spending that will produce no relief at all but will just get us deeper into the mire.

I hope that Congress will turn relief back to the States, with such aid as they may need. I hope that they will refuse to sanction a building program which cannot be started before January 1, and which will provide very little employment and no relief at all.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

The gentleman from Virginia said he thought this pump-priming project would work if industry would cooperate. Does anyone think that industry is such a fool that it would not put people to work if it possibly could? Does anyone think that the people who run the factories, and the mines, and the businesses of America would not provide employment for the people if they could? What has been the result? The Executive has demanded cooperation of industry.

Mr. FULLER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. FULLER. Some men in the visitors' gallery are applauding. They have done it three or four times. It is against the rules of the House. I ask the Chair to enforce the rules of the House.

The CHAIRMAN (Mr. PARSONS). The Chair reminds the visitors in the gallery that they are here as the guests of the House. The rules provide that visitors in the galleries may not express approval or disapproval of anything that happens on the floor. The Chair trusts that the visitors in the galleries will abide by the rules of the House.

The gentleman from New York will proceed.

Mr. TABER. Mr. Chairman, the cooperation of industry has been asked, but in what terms? Robert Jackson has cracked down on them; Harold L. Ickes has cracked down on them; the President of the United States has cracked down on them, and the National Labor Relations Board has

cracked down on them in such a way that they cannot provide the employment for the people that they would provide if they were given a chance. Why do you come here and demand that industry cooperate while at the same time the administration and the Congress fail to act to destroy those things that are preventing employment?

I appeal to the Members of this House to get away from false gods and to follow sound procedure, to have honest relief and to give the business people of America an opportunity to provide the employment which they would so readily provide if they were given the chance. Stop putting barriers in the way of the employment of our people.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TAYLOR of Tennessee. Does the gentleman believe that this W. P. A. extravagance would stop if the Federal Government required some contribution from the local communities?

Mr. TABER. If a contribution were required from local communities for W. P. A. projects, I believe much of the extravagance would stop.

Mr. TAYLOR of Tennessee. Even with a 10-percent contribution.

Mr. TABER. It would help.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAGNUSON. I am interested in what the gentleman has said about industry, but I would remind him that only recently the automobile industry laid off a lot of people. The gentleman says industry wants to put people back to work. I notice that Mr. Knudsen, the head of General Motors, still draws his \$320,000 a year salary. I am just wondering how the gentleman reconciles these two factors. This amount of money would take care of a lot of people.

Mr. TABER. Oh, it would take care of just a few people.

Mr. MAGNUSON. Is that cooperation?

Mr. TABER. Out of that \$320,000 Mr. Knudsen probably has to pay \$250,000 in taxes.

Mr. MAGNUSON. He should.

Mr. TABER. So he does not have a lot left for himself, if that is what he draws.

Mr. GIFFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. May I ask the gentleman if he noticed that the strong, eloquent plea of the gentleman from Virginia, when the \$4,800,000,000 and the \$3,300,000,000 proposition was up, was on account of Hoover and his political party. Did the gentleman notice he did not explain to us at all why this was needed or tell us about the causes that brought it on? There was no oratory on that proposition at all.

Mr. TABER. He assumed, no doubt, every one knows that we are in the midst of the Roosevelt-created depression.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Going back to this fundamental question of the local communities making a contribution, does the gentleman believe that the local communities would object to contributions if the local communities had the entire problem within their jurisdiction, so that they could say to Tom, Dick, or Harry, "You will get on relief on such-and-such conditions," or "You are not entitled to relief because so-and-so"? Does not the gentleman think that is really at the bottom of this whole thing?

Mr. TABER. That is the key to the situation.

Mr. SIROVICH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. SIROVICH. May I call the gentleman's attention to the fact that in the Hoover depression there were almost 9,000 banks closed, while in the Roosevelt term during the

last 5 years we have gone through, only 140 banks have closed?

Mr. TABER. We are pretty nearly that far.

Mr. GIFFORD. The banks today are full of Government money.

Mr. TABER. The banks are not as good as I wish they were right now.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include three tables compiled by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Chairman, with reference to the statement just made regarding the period when the banks were closed, may I call attention to the committee report? In February 1933, when the banks closed, there were 19,510,000 persons on relief. In March of 1938 there were 20,112,000 persons on relief. In other words, we had 602,000 more people on relief in March 1938 than we had in 1933 when the banks were closed.

Mr. SIROVICH. Will the distinguished gentleman yield?

Mr. ENGEL. I decline to yield.

Mr. SIROVICH. Where does the gentleman get his information?

Mr. ENGEL. That is taken from the committee report, and it will be found on page 7.

Mr. Chairman, in June 1932, the Democratic, Republican, and Socialist Parties, in convention assembled, adopted certain provisions in their platforms, advocating a remedy for the depression which at that time had been with us nearly 3 years. Each party based its remedy upon the philosophy of government advocated by its leadership.

THE REPUBLICAN PLATFORM OF 1932

The Republican platform of 1932 urged the creation of emergency relief funds for temporary loans to States; favored loans to State and local authorities and private concerns for revenue-producing and self-liquidating projects. It endorsed the principle of high wages; favored the adoption of a shorter working day and week by the Government and by private employers as rapidly as possible. It recognized and approved collective bargaining by responsible representatives of employees; and, among other things, it advocated prompt and drastic curtailment of Federal, State, and local Government expenditures to a level, "which can be steadily and economically maintained for some years to come."

THE DEMOCRATIC PLATFORM OF 1932

The Democratic platform of 1932 favored the extension of Federal credit to States whose diminishing resources made further aid to the needy impossible; the expansion of the Federal program of necessary and useful construction and the advance planning of public works. It advocated unemployment and old-age insurance under State laws, and the encouragement of a shorter working day and week, and its adoption by the Government services as an example, and finally it advocated the immediate and drastic reduction of expenditures by abolishing useless commissions and offices, consolidations of agencies, and elimination of extravagance to make possible a 25-percent saving, and urged State Democrats to do likewise.

THE SOCIALIST PLATFORM OF 1932

The Socialist platform of 1932 proposed:

First. A Federal appropriation of \$5,000,000,000 for immediate relief for those in need, to supplement State and local appropriations.

Second. A Federal appropriation of \$5,000,000,000 for public works and roads, reforestation, slum clearance, and decent homes for the workers, by Federal Government, States, and cities.

Third. Legislation providing for the acquisition of land, buildings, and equipment necessary to put the unemployed to work producing food, fuel, and clothing and for the erection of houses for their own use.

Fourth. The 6-hour day and the 5-day week without a reduction of wages.

Fifth. A comprehensive and efficient system of free public employment agencies.

Sixth. A compulsory system of unemployment compensation with adequate benefits, based on contributions by the Government and by employers.

Seventh. Old-age pensions for men and women 60 years of age and over.

Eighth. Health and maternity insurance.

Ninth. Improved system of workmen's compensation and accident insurance.

Tenth. The abolition of child labor.

Eleventh. Government aid to farmers and small-home owners to protect them against mortgage foreclosures and a moratorium on sales for nonpayment of taxes by destitute farmers and unemployed workers.

Twelfth. Adequate minimum-wage laws.

It will be noted that there was very little difference between the Republican and Democratic platforms in these particular respects. Both platforms advocated loans or credit to the States, higher wages, shorter working hours, collective bargaining, and so forth. Both platforms advocated a drastic curtailment of Federal expenditures and reduction of taxation, the Democratic platform going to the extent of criticising the Republican Party for extravagance and advocating a 25-percent reduction in public expenditures.

PRESIDENT ADVOCATES DRASTIC ECONOMY IN 1932

The President repeatedly emphasized that part of the Democratic platform advocating drastic economy and reduction of expenditures and taxes and advanced the philosophy of government in which he then believed in numerous speeches. In Sioux City, Iowa, in September 1932, he said:

I accuse the present administration of being the greatest spending administration in peacetime in all our history, one which has piled bureau on bureau, commission on commission. Bureaus and bureaucrats have been maintained at the expense of the taxpayer.

At Brooklyn, on November 4, 1932, he said:

The people of America demand a reduction in Federal expenditures. It can be accomplished not only by reducing the expenditures of existing departments but it can be done by abolishing many useless commissions, bureaus, and functions.

In Pittsburgh, on October 19, 1932, he said:

Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain. Our people and our business cannot carry its excessive burden of taxation.

Again, in his economy message to Congress on March 10, 1933, the President said:

For 3 long years the Federal Government has been on the road to bankruptcy. * * * With utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. * * * Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

All through the campaign of 1932 he emphasized economy, reduction of expenditures, and of taxation as the foundation upon which a sound return to prosperity must be based. I am not quoting him with the view of making it unpleasant for my friends on the Democratic side of the aisle, but I am merely quoting him and the Democratic Party platform as representing their philosophy of government and the remedy advocated by the Democratic platform of 1932 and the foundation upon which they then believed we must build a sound prosperity.

The people, by a tremendous vote, ratified and adopted the policy of the Democratic Party of 1932 and endorsed its leadership. The Democratic Party immediately after taking office on March 4, 1933, passed the Economy Act as the first step

in redeeming its campaign promise of making drastic economies and of cutting Government expenses 25 percent.

I have before me a copy of the industrial production chart published by the Board of Governors of the Federal Reserve System, which, it must be conceded, is nonpolitical. I regret very much that the rules of the Joint Committee on Printing do not permit me to insert this chart into the RECORD.

INDUSTRIAL PRODUCTION CHART OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Let us now examine this industrial production chart of the Board of Governors of the Federal Reserve System. This chart is adjusted for seasonal variation, the 1923-25 average being 100 percent. It runs from 40 to 140 percent, the 100 percent being the average industrial production above referred to. Industrial production, according to this chart, reached its peak in July 1929 of about 125 percent, or 25 percent above the 1923-25 average. It then gradually went down until it reached approximately 58 percent in July 1932, or 42 percent below the average. From July 1932 to November it went up approximately 9 points to a high point of 67 percent of the normal. This increase in industrial production meant, of course, an increase in employment. Then came the November election and the 4-month interim between the election and the inauguration of the new President. It will be noted that industrial production was practically stationary until January and then went down until just prior to March 4, 1933, when the banks closed, dropping back to within 1 point of the 1932 low level.

ON MARCH 4, 1933, DEMOCRATIC PRESIDENT ROOSEVELT AND THE DEMOCRATIC PARTY TOOK CHARGE OF THE GOVERNMENT AND BEGAN TO ECONOMIZE

Then comes the most interesting part of the chart. On March 4, 1933, the President and the Democratic Party took charge of the Government. The Economy Act was then passed. It took effect immediately. The determination of the President, shown at the outset of his administration, to reduce expenses and his adherence at that time to the sound, orthodox principles of his party platform inspired a wave of confidence which swept over the country. Businessmen felt they could plan ahead. Consumers commenced buying. Factories reopened and men and women started back to work. Now look at the chart: From 59 percent of the average in March the index figure for industrial production moved in an almost vertical line to 66 percent of the average in April, to 78 percent in May, to 91 percent in June, to 100 percent in July. In other words, in 4 months industrial production, according to the Federal Reserve Board figures, almost doubled and reached the normal level, which is the 1923-25 average.

THE PRESIDENT ABANDONS THE DEMOCRATIC PLATFORM OF ECONOMY AND ADOPTS SOCIALIST PLATFORM OF SPENDING

Now, what stopped this upward surge of industrial production and business generally? You know what happened. For some unknown reason the President, late in the spring of 1933, fundamentally shifted his policies. He abandoned the philosophy of recovery he had preached during the campaign of 1932 which had inspired the confidence of the businessman and the Nation. He substituted a policy of "spending ourselves into prosperity" for the policy of "tax reduction and economy" which he had advocated. We commenced hearing a new phrase—"pump priming." Then we were informed of a new Budget classification. Certain expenditures were to be labeled "extraordinary" as distinguished from "ordinary" expenditures. We were told that the promise to balance the Budget applied only to ordinary expenditures. The Congress was asked to appropriate a fund which left many of its Members breathless. But that was not all. As the summer of 1933 arrived it became apparent that the President was thinking seriously of monetary tinkering. The untried experiments of N. R. A., A. A. A. were set up. The Thomas greenback law was enacted. In brief, the President substituted the Socialist platform of 1932 for the Democratic platform of that year. The full impact of these policies came to a climax and had their effect after July 1933. Confidence then gave way to uncertainty.

SUBSTITUTION OF SPENDING PROGRAM FOR ECONOMY PROGRAM MEANT
LOSS OF RECOVERY GAINED

Now let us examine the production chart once more. As the President substituted the policy of spending for the policy of economy, and as it became apparent that he was abandoning the Democratic platform of 1932 and adopting the Socialist platform of 1933, we began to lose ground. The industrial line on our chart suddenly and sharply turned downward. From 100 percent of normal in July it fell to 91 percent in August, to 84 percent in September, to 76 percent in October, and then to 72 percent in November.

Mark this well: In November 1933 the industrial production figure of the Federal Reserve Board was only 5 points above November 1932. And do not forget that for 4 months prior to November 1933 this administration was engaged in spending hundreds of millions of dollars for relief and on public works. The N. R. A. was going full blast and the President was embarking on his inflationary monetary policy. Also, please note, these policies were continued with increased vigor in the months after November 1933, but the 100-percent point for industrial production—reached in July 1933—was not again reached for 2½ years, or until January 1936.

In view of that record—and it is an official record compiled by the Federal Reserve Board—how can anyone on this floor seriously undertake to justify pump priming and the expenditure of huge sums of money as a real aid to economic recovery? It will be noted that we went gradually up until the November election, 1936, when industrial production, spurred on by money spent and distributed just prior and just after the November campaign, was forced up to 122 percent. This point was within 3 points of the all-time industrial production point of 125 percent in 1929.

And then the upward movement again was halted. The effects of spending, like the effects of a drug, commenced to wear off. The President again torpedoed public confidence by launching his ill-conceived reorganization and Supreme Court proposal. By unwise policies the administration permitted relations between industry and labor to reach a point that had its climax in the sit-down strikes and in bloodshed. Again confidence gave way to widespread uncertainty.

Now, look again at our chart. Industrial production dropped back to 110 percent of the 1923–25 average. Then it zigzagged up and down for several months until in October it took a nose dive in virtually a straight vertical line. Industrial production fell until in March of this year it had dropped to approximately 79 percent of the 1923–25 average, a drop from last October to March of this year of 39 points. The industrial-production figure for March of this year was lower than for any March since 1933. It was only 12 points above the industrial production figure for March 1932 and it was 8 points below the industrial production figure for March 1931.

And, let me again point out, in March of this year, 5 years after the New Deal commenced, the industrial production figure was 21 points below the level achieved in July 1933 as a result of the economy and orthodox policies pursued by the President in the early days of his administration. In other words, despite the expenditure of \$40,000,000,000, despite an increase of some \$17,000,000,000 in our debt, despite devaluation of the dollar, we were worse off by far in March of this year than we were in July 1933.

IN OCTOBER 1932 PRESIDENT ROOSEVELT SAID 11,000,000 MEN WERE
UNEMPLOYED

The President, in his speech at Baltimore in the fall of 1932, stated there were 11,000,000 unemployed. I am sure if there had been more at that time, he would have said so. Today we are informed there are from thirteen to fifteen million workers unemployed. Industrial production went up and down until in 1937, when the national income produced reached a peak of \$68,000,000,000, according to the President's recent message. Income produced and with it, of course, industrial production, then took a nose dive until we are now operating at a level of \$56,000,000,000 income produced and are still going down. The President, in his message, stated correctly that we had dropped to an annual income produced

in 1932 of \$40,000,000,000, and that we ought to maintain a level of \$100,000,000,000 annual income produced in the near future to maintain prosperity and keep unemployed at work. I am inclined to agree with him. However, it ought to be apparent that we cannot bridge the gap between an annual income produced of forty or fifty billion dollars and an annual income produced of \$100,000,000,000 with any national spending program. That a fifty to sixty billion dollar gap in income produced can never be bridged by pump priming or by Government spending should, after the 5 years of experimentation along that line, be apparent to everyone. The only way it can be done is by giving business and private enterprise a chance.

REFORM AND RECOVERY

While I favor and believe that some industrial readjustment is necessary to give employment to our surplus labor, I am firmly convinced that it is a mistake to mix drastic reform with recovery. We can curse the Morgans, the Vanderbilts and other men of great wealth. We can damn the Standard Oil, the so-called Steel Trust and the Aluminum Trust, and other business, big and small. Undoubtedly some big business ought to be cursed and damned for some of the things it has done or has failed to do. But when you are all through cursing and damning, you will, in the final analysis, have to turn to the men and corporations you are cursing and damning to put men back at work.

In the name of common sense we should not retard all industry, prevent people from getting work and paralyze the entire country in order to punish a malefactor here and there. Let us bring about recovery first and then place our house in order. Do not let us burn the house down to get rid of the rats.

WE SHOULD TAKE AN INVENTORY OF MONEY EXPENDED DURING LAST 5
YEARS

A great many of the Members of Congress on both sides of the House were very apprehensive when this spending program was first adopted. Some tried to go along. They tried to support the President despite sincere doubts. With a few exceptions, I have opposed that spending program. As I studied the program, I became more and more convinced that the original philosophy of government advanced by both Republican and Democratic Parties of giving the country an economical and efficient government, of reducing taxes and expenditures, was the only sound road to recovery.

I am more firmly convinced that ever that to continue that spending program further will mean national disaster. We may improve conditions for a time, perhaps for a few months, but the final result will be financial and economic disaster. You can relieve pain temporarily by giving the patient a shot of cocaine in the arm, but ultimately the cocaine will either run out or will no longer take effect and the patient is worse off than before. I believe the time has come when we should take an inventory of just how much of the people's money we have spent during the past 5 years before we spend any more.

I am placing into the RECORD at the conclusion of my remarks a table showing the expenditures of the Government for the War Department, including rivers and harbors and flood control, Navy Department, Indian Affairs, Pensions, interest on public debts, and total expenditures of the Government from year to year from the first day of the first term of George Washington's administration in 1789 down to the fiscal year ending June 30, 1937, or to the end of President Roosevelt's first term of office. I have totaled these expenditures from 1789 to 1825, from 1825 to 1876, from 1877 to 1916, from 1917 to 1933, and from 1933 to 1937. I am placing in the RECORD another table giving the totals from 1789 to 1825, from 1789 to 1876, from 1789 to 1916, from 1789 to 1933, and from 1789 to 1937.

It is only by studying these figures that we begin to realize just where we are going on this question of expenditures. I have checked and rechecked them against the Treasury Department reports and believe you will find them accurate. So amazing are these figures that at first glance you may

be incredulous, but I assure you that they have been taken from the official reports of the Treasury Department, and I have made certain that they are accurate.

WE HAVE PAID MORE INTEREST FROM JULY 1, 1933, TO MAY 2, 1938, THAN FROM 1789 TO THE WORLD WAR

These tables show that we have paid out from July 1, 1933, to May 2, 1938, \$501,159,684 more interest on public debts than we paid from the first day of our Government under the administration of George Washington in 1789 down to the World War. This total includes \$685,240,804 paid from July 1, 1937, to May 2, 1938.

COST OF GOVERNMENT FROM 1789 TO JULY 1, 1933

The Treasury Department records show, according to these tables, that it cost \$134,222,069,584 to operate this Government from the first day of George Washington's first term of office in 1789 down to July 1, 1933, that being the first day of the first fiscal year of President Franklin D. Roosevelt's first term of office. In that amount is included the cost of every pound of powder, every shot, every shell, every cannon and every rifle, every soldier's uniform and ration, and all the other costs of the War of 1812, the War with Mexico, the Indian War, the Civil War, the Spanish-American War, and the World War. In that amount is included \$30,196,804,263 spent during that period by the War Department, including rivers and harbors, and so forth, covering both war and peacetime expenditures; \$12,546,694,997 expended for the Navy Department; \$15,687,438,866 interest paid on public debt; \$9,479,888,430 paid in pensions to war veterans of all wars, excluding the World War veterans; \$2,521,089,852 in pensions and compensation benefits to World War veterans or dependents of deceased veterans (\$1,208,818,809 paid prior to July 1, 1933, to World War veterans from the adjusted-service certificate fund); \$1,235,730,127 paid for Indian affairs. In this amount is also included the cost of the Louisiana Purchase, the purchase price of Alaska, the amount we paid Spain for the Philippine Islands, the cost of the Panama Canal, and what remained of the debt incurred in the cost of the Revolutionary War in 1789. All of these items plus the ordinary cost of operating this Government for 144 years are included in this \$134,222,069,584.

CONGRESS HAS APPROPRIATED AND AUTHORIZED TO BE APPROPRIATED UNDER THE ROOSEVELT ADMINISTRATION 43.8 PERCENT OF THE COST OF GOVERNMENT FOR 144 YEARS AND 43.7 PERCENT OF THE ASSESSED VALUATION OF THE 48 STATES

The amounts appropriated by Congress during the past 6 fiscal years are as follows:

72d Cong., 2d sess., and 73d Cong., 1st sess., fiscal year 1934 and prior years.....	\$7,692,447,339.17
73d Cong., 2d sess., fiscal year 1935 and prior years.....	7,527,559,327.66
74th Cong., 1st sess., fiscal year 1936 and prior years.....	9,579,757,330.31
74th Cong., 2d sess., fiscal year 1937 and prior years.....	10,336,399,272.65
75th Cong., 1st sess., fiscal year 1938 and prior years.....	9,356,174,982.92
75th Cong., 2d sess., fiscal year 1939 and prior years.....	10,735,249,257.86

(After deducting \$365,115,200 reappropriations.)
Total appropriated in last 6 years under Mr. Roosevelt..... 55,227,587,510.57
(1939 figures are estimates given by House Appropriations Committee.)

Congress has during that same period of time authorized but not yet appropriated \$3,486,763,615, an itemized statement of which is contained at the end of these remarks. Thus the appropriations and the authorizations above referred to total the enormous amount of \$58,714,351,125.57.

On February 3 of this year, I delivered a speech on the floor of the House entitled "The Public Debt and National Solvency." At that time I gave the assessed valuation for the 48 States, which amounted in 1935 to \$134,144,084,126.

Mr. Chairman, we are amazed to learn from these tables taken from the Treasury Department records that during the fiscal years ending June 30, 1934, 1935, 1936, and 1937, or

during the first term of President Roosevelt's administration, we have actually spent \$1,865,164,048 more than it cost to run this Government from the first day of George Washington's first term of office down to the World War. We are amazed to learn that Congress has appropriated and authorized to be appropriated during these 6 fiscal years of the present administration a sum that equals 43.8 percent of the cost of operating this Government during the 144-year period above referred to, including the cost of the five wars and other items mentioned herein. We are amazed to learn that Congress in 6 years has appropriated or authorized to be appropriated a sum that equals 43.7 percent of the assessed valuation of every piece of real and personal property placed on the assessment rolls by the local assessing officers in the 48 States as that valuation was fixed in 1935.

I do not care whether you are a Democrat, Republican, or Progressive. I believe I have a right to assume that you are an American first. As an American, how long do you think this Government can continue to appropriate and authorize each 6 years a sum that equals nearly 44 percent of the expenditures of the Government covering the period of 144 years, including the cost of the World War and four other wars?

How long do you think this Government can continue to appropriate each 4 years a sum of money that exceeds the expenditures of government from George Washington down to the World War? As an American, how long do you think this Government can keep on spending and authorizing expenditures in 6 years of a sum of money that equals nearly 44 percent of the assessed valuation of every piece of real and personal property placed on the assessment rolls by the local assessing officers of the 48 States? Are we going to continue spending at the same rate during the next 6 years that we have during the past 6 years, and find at the end of the 12-year period that we have spent a sum equaling 90 percent of the assessed valuation of the Nation?

If the stopping point has not yet been reached, just where is the stopping point? In the face of the production chart issued by the Governors of the Federal Reserve System, what do you think is the remedy for the depression—drastic economy, reduction of taxation, encouragement to business as outlined and endorsed by both the Republican and Democratic Parties in their conventions of 1932 and which in 4 months increased production 40 points, or an unlimited spending program outlined and endorsed by the Socialist platform of 1932 which in 1933 was substituted by the President and the Democratic leadership for the Democratic platform of 1932?

Abraham Lincoln once asked a friend, "If you called a lamb's tail a leg, how many legs would a lamb have?"

The friend answered, "Five."

Lincoln replied, "No. The lamb would still have four legs and one tail. Calling the tail a leg would not make it so."

You can call this bill a recovery bill if you want to, but calling it a recovery bill does not make it one. The fact that the administration is calling this bill a recovery bill is a frank confession of failure. After giving the patient pump-priming medicine to the tune of \$40,000,000,000 during the past 5 years, the President now frankly confesses that this medicine has failed to cure the patient; that the depression is still with us and that we have more unemployed than we had in 1932. The only remedy, however, he has to offer for this Roosevelt depression is the same pump-priming medicine which he confesses has failed after 5 years' trial.

WE HAVE NO MOSES TO LEAD US OUT OF THE WILDERNESS

We have no Moses to lead us out of the wilderness of the Roosevelt depression of 1937. I do not believe that any one man within himself has the power or ability to solve all the intricate problems of the present times. I am firmly convinced, however, that there is only one answer to the problem. There is only one permanent solution and that is abandon the Socialist platform of 1932 and go back to the remedy advocated by both the Republican and the Demo-

cratic platforms of that year—drastic economy, pay as you go, doing without many of the things we did without then and can do without again by a little self-sacrifice. Give business a chance. That policy worked wonderfully well from March to July 1933 and will work again if given a chance.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. SIROVICH. Mr. Chairman, will the gentleman now yield?

Mr. ENGEL. I yield for a question.

Mr. SIROVICH. My distinguished friend has made a most interesting contribution. However, I interpret this chart in a manner absolutely different from the way the gentleman interprets it.

Mr. ENGEL. I yielded for a question.

Mr. SIROVICH. According to the chart you have exhibited to the membership of this House, it shows during the years 1920 to 1928 a fluctuation in industrial production in the administrations of Presidents Harding and Coolidge. From 1928 until 1932, the administration of President Hoover, a sharp remission is shown in your chart, where industrial production falls from almost 140 percent to 57 percent. This sharp decline is due, in my humble opinion, to the tragic era of *laissez faire* toward big business that symbolizes the Harding, Coolidge, and Hoover administrations.

In 1933, when Roosevelt was inducted into office as President of the United States, the economic organism of our Nation was in a state of financial and industrial collapse, due to the fact that 12,000 banks had been closed, and economic fear obsessed the commercial and industrial organizations of the Nation. The moment Roosevelt requested Congress to assist banks, life-insurance companies, and railroads through the medium of billions of dollars loaned by the R. F. C., industrial production began to rise on your chart. However, when the banks found themselves in a liquid state due to the assistance of the Government, they refused to extend credit and loan money to business and industry and your chart shows another remission in industrial production. It was at that time that Congress appropriated \$5,000,000,000 for the W. P. A., P. W. A., and countless other agencies to assist 20,000,000 unemployed. It was due to this heroic treatment, this economic blood transfusion to business and industry, that made the industrial production rise on your chart and it continued to do so until the spring of 1937, when Congressman TABER and other men who think along his economic terms on our side of the House cut the appropriation to \$1,000,000,000 for W. P. A. and P. W. A. and other agencies, which was instrumental in discharging millions from relief rolls of our country who were unable to be absorbed by private industry and, therefore, lost their consuming and purchasing power, which brought about, according to your chart, the great decline that began in September 1937 and which has continued up to the present time.

It is my humble opinion that if we pass this appropriation of \$3,000,000,000 to aid the P. W. A. and W. P. A. so that the distinguished Secretary of the Interior, Harold Ickes, can continue to do the fine and splendid work that he did before, with his great vision and constructive statesmanship, in reviving business and industry, aided and abetted by Harry Hopkins, who has literally worn away his health and strength through the fine work of the W. P. A., prosperity will again be restored and industrial production go higher than ever before in the history of our country, to bring happiness, concord, and tranquility to the hearth, home, and fireside of our American people.

Mr. ENGEL. Well, let us see whether that is true or not. In 1934 we appropriated \$7,692,000,000 plus. In 1935 we appropriated \$7,526,000,000, and despite that fact industrial production went up. On July 1, 1933, to which the gentleman refers, the banks were not opened. A vast majority of the banks were still closed. The RECORD shows that during

the period to which the gentleman refers in 1935 we appropriated less money than any time during the 6-year period.

Mr. SIROVICH. That is my contention.

Mr. ENGEL. But industrial production went up when we economized.

Mr. SIROVICH. The gentleman said they appropriated the least amount of money.

Mr. ENGEL. I am not yielding further. Let me answer the gentleman. Up to this point we had not appropriated anything at all.

Mr. SIROVICH. That is right.

Mr. ENGEL. As we started appropriating during the latter part of 1933, and later enacted the N. R. A. and the A. A. A. into law, industrial production went down. So long as we followed the program of economy industrial production went up.

The chart shows that from July 1932 to November 1932, under President Hoover, industrial production definitely increased nine points and we were started on the way to recovery. In the interim between the election and the inauguration of Mr. Roosevelt it will be recalled that Mr. Hoover asked Mr. Roosevelt to cooperate in following any policy he, Mr. Roosevelt, wanted to follow. Mr. Roosevelt responded by telling Mr. Hoover, "That's your baby." From then on industrial production went down.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ENGEL. In spite of all appropriations made from July 1933, then on until January 31, 1936, we never reached that July 1933 high point again until January 1936, or 2½ years later, and you cannot interpret it in any other way.

Mr. SIROVICH. But it takes a year for production, consumption, distribution, and exchange to take place, therefore the interpretation that my distinguished friend gives does not correspond to the fluctuations of his chart.

Mr. ENGEL. Last year you spent \$9,356,000,000, almost two billion more than in 1933 when this progress was under way. You cannot explain that away.

Mr. SIROVICH. We can if you will permit us to interpret your chart from an impartial standpoint, instead of partisan prejudice.

Mr. ENGEL. I yield now to the gentleman from Indiana.

Mr. PETTENGILL. Mr. Chairman, the gentleman is entirely correct. We had this splendid recovery in 1933 without any pump priming, because the pump priming did not begin until the end of 1933. So we had business recovery without pump priming. Another fact is that with the decision of the United States Supreme Court in May 1935, we had the first sustained long recovery outside of 1933, and that went on until February 1937, when the President attacked the Supreme Court and led the American people to believe that there would be a profound change in our institutions. Is not that correct?

Mr. ENGEL. Certainly it is correct.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. CRAWFORD. With this highly intelligent presentation, which shows a lot of research, I think we should put one other related factor into the discussion and that is this. Industrial production and the income of farmers never fail to run neck and neck. The important thing is not that there is a relation between the two, but that they are always running neck and neck, cheek by cheek, shoulder by shoulder. That chart is also a most complete illustration of the rise and fall, gradual and abrupt, of the income of the American farmer. In the last few months his income has dropped as tragically as the lowest line on that chart on the extreme right-hand side.

Mr. ENGEL. I thank the gentleman and yield back the remainder of my time. [Applause.]

The tables referred to by Mr. ENGEL are as follows:

TABLE I.—Statement showing total expenditures of U. S. Government, year by year, from 1789 down to 1937. Also shows separately expenditures of War Department (including rivers and harbors), Navy Department, interest on public debt, pensions (excluding World War veterans), and Indian affairs. (World War veterans' pensions are included in total expenditures, but not under item of pensions. Separate statement will give this information)

Year	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1789-91	\$4,345,424	\$632,804	\$570	\$2,349,437	\$175,814	\$27,000
1792	5,134,062	1,100,702	53	3,201,628	109,243	13,649
1793	4,554,352	1,130,249		2,772,242	80,088	27,283
1794	7,080,811	2,639,098	61,409	3,490,293	81,399	13,042
1795	7,657,702	2,480,910	410,562	3,189,151	68,673	23,476
1796	5,858,557	1,260,264	274,784	3,195,055	100,844	113,564
1797	6,283,748	1,039,403	382,632	3,300,043	92,257	62,396
1798	7,855,588	2,009,522	1,381,348	3,053,281	104,845	16,470
1799	9,854,492	2,466,947	2,858,082	3,186,288	95,444	20,302
1800	11,000,069	2,560,879	3,448,716	3,374,705	64,131	31
1801	9,649,733	1,672,944	2,111,424	4,412,913	73,533	9,000
1802	8,144,034	1,179,148	915,562	4,125,039	85,440	94,000
1803	8,174,017	822,056	1,215,231	3,848,328	62,902	60,000
1804	9,056,944	875,424	1,180,833	4,266,583	80,093	116,500
1805	10,883,601	712,781	1,597,500	4,148,999	81,855	196,500
1806	10,220,850	1,224,355	1,649,641	3,723,408	81,876	234,200
1807	8,805,036	1,288,686	1,722,064	3,369,578	70,500	205,425
1808	10,395,320	2,900,834	1,884,068	3,428,153	82,576	213,575
1809	10,778,760	3,345,772	2,427,759	2,866,075	87,834	337,504
1810	8,652,479	2,294,324	1,654,244	2,845,428	83,744	177,625
1811	8,557,435	2,032,828	1,965,566	2,465,733	75,044	151,875
1812	20,820,936	11,817,798	3,959,365	2,451,273	91,402	277,845
1813	32,362,863	19,652,013	6,446,600	3,599,455	86,990	167,358
1814	35,448,052	20,350,807	7,311,291	4,593,239	90,164	167,395
1815	33,456,290	14,791,294	8,660,000	5,754,569	69,656	530,750
1816	31,390,713	16,012,097	3,908,278	7,213,259	188,804	274,512
1817	22,760,335	8,004,237	3,314,598	6,389,210	297,374	319,464
1818	20,860,933	5,622,715	2,953,695	6,010,447	890,720	505,704
1819	22,581,671	6,596,300	3,847,640	5,163,538	2,415,940	453,181
1820	19,421,553	2,630,392	4,387,990	5,126,097	3,208,376	315,750
1821	16,976,234	4,461,292	3,319,243	5,087,274	242,817	477,005
1822	16,167,792	3,111,981	2,224,459	5,172,578	1,948,199	575,007
1823	15,863,835	3,096,924	2,503,766	4,922,655	1,780,589	380,782
1824	21,514,727	3,340,940	2,904,582	4,996,562	1,499,327	429,988
1825	17,086,272	3,659,914	3,049,084	4,366,769	1,308,811	724,106
Total, 1789 to 1825	499,668,210	158,632,628	85,935,579	141,465,816	15,957,304	7,722,264
1826	18,402,509	3,943,194	4,218,902	3,073,481	1,556,594	743,448
1827	17,609,127	3,938,978	4,263,877	3,486,072	976,139	760,625
1828	18,084,788	4,145,545	3,918,786	3,098,801	850,574	705,084
1829	16,985,465	4,724,291	3,308,745	2,542,843	949,594	576,345
1830	17,075,774	4,767,129	3,239,429	1,913,533	1,363,297	622,762
1831	17,183,773	4,841,836	3,856,183	1,383,833	1,170,665	630,738
1832	19,555,121	5,446,035	3,956,370	772,562	1,184,422	1,352,420
1833	25,947,966	6,704,019	3,901,357	303,797	4,389,152	1,802,981
1834	21,538,174	5,696,189	3,956,260	202,153	3,364,285	1,003,853
1835	20,330,163	5,759,157	3,864,939	57,863	1,954,711	1,706,444
1836	33,709,930	12,169,227	5,807,718		2,882,798	4,615,141
1837	46,531,815	12,682,734	6,646,915		2,672,162	4,348,076
1838	38,295,721	12,897,224	6,131,596	14,997	2,156,086	5,504,191
1839	31,535,664	8,916,996	6,182,294	309,843	3,142,884	2,525,917
1840	29,035,815	7,097,070	6,113,897	174,568	2,603,950	2,331,795
1841	30,657,903	8,805,565	6,001,077	284,978	2,388,496	2,694,063
1842	30,823,127	6,611,887	8,397,243	773,550	1,379,409	1,201,062
1843	16,211,616	2,957,300	3,727,711	529,595	843,323	581,680
1844	26,636,199	5,179,220	6,498,189	1,833,897	2,030,598	1,179,279
1845	27,264,100	5,752,644	6,297,245	1,040,032	2,396,642	1,540,817
1846	31,077,211	10,792,867	6,454,947	842,723	1,810,371	1,021,461
1847	60,826,241	38,305,520	7,000,636	1,119,215	1,747,917	1,470,306
1848	49,735,464	25,501,963	9,408,476	2,390,825	1,211,270	1,221,792
1849	49,529,321	14,852,966	9,786,706	3,565,578	1,330,010	1,373,119
1850	44,756,737	9,400,239	7,904,709	3,782,331	1,870,292	1,665,802
1851	53,987,727	11,811,703	9,065,931	3,696,721	2,290,278	2,895,700
1852	50,261,025	8,225,247	8,952,801	4,000,208	2,403,953	2,980,403
1853	54,013,450	9,947,291	10,918,781	3,665,833	1,777,871	3,905,745
1854	63,445,802	11,733,629	10,798,586	3,071,017	1,237,879	1,553,031
1855	66,632,846	14,773,826	13,312,024	2,314,375	1,450,153	2,792,552
1856	76,779,776	16,948,197	14,091,781	1,953,822	1,298,209	2,769,430
1857	75,686,495	19,261,774	12,747,977	1,678,265	1,312,043	4,267,543
1858	82,157,984	25,485,383	19,984,551	1,567,056	1,217,488	4,926,739
1859	75,719,931	23,243,823	14,642,090	2,638,464	1,220,378	3,625,027
1860	72,411,659	16,409,757	11,514,965	3,177,315	1,102,926	2,949,191
1861	74,977,013	22,981,150	12,420,888	4,000,174	1,036,064	2,841,358
1862	482,326,056	394,368,407	42,668,277	13,190,325	853,095	2,273,224
1863	725,297,826	599,298,601	63,221,964	24,729,347	1,078,991	3,154,357
1864	877,165,731	690,791,643	85,725,995	53,685,422	4,983,924	2,629,850
1865	1,310,944,133	1,031,323,961	122,612,945	77,397,712	16,338,811	5,116,837
1866	536,130,254	284,449,702	43,324,118	133,067,742	15,605,352	3,247,065
1867	373,235,387	95,224,415	31,034,011	143,781,592	20,936,582	4,642,532
1868	396,125,042	123,246,648	25,775,503	140,424,046	23,782,387	4,100,682
1869	341,147,681	78,501,991	20,000,758	130,694,243	28,476,622	7,042,923
1870	328,786,373	57,655,676	21,780,230	129,235,498	28,340,202	3,407,938
1871	311,441,736	35,799,992	19,431,027	125,576,566	34,443,895	7,426,997
1872	299,007,483	35,372,157	21,240,810	117,357,840	28,533,403	7,061,729
1873	313,980,404	46,323,138	23,526,257	104,750,688	29,359,427	7,951,705
1874	330,148,808	42,313,927	30,932,587	107,119,815	29,038,415	6,692,462
1875	301,623,381	41,120,646	21,497,626	103,093,545	29,456,216	8,384,657
1876	293,299,996	38,070,889	18,963,310	100,243,271	28,257,540	5,966,558
Total, 1826 to 1876	9,036,240,411	4,007,573,268	865,879,910	1,570,532,303	384,267,631	157,987,943

1843 and after given on fiscal instead of calendar year basis.

TABLE I.—Statement showing total expenditures of U. S. Government, year by year, from 1789 down to 1937. Also shows separately expenditures of War Department (including rivers and harbors), Navy Department, interest on public debt, pensions (excluding World War veterans), and Indian affairs. (World War veterans' pensions are included in total expenditures, but not under item of pensions. Separate statement will give this information).—Continued

Year	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1877	\$268,823,077	\$37,082,730	\$14,959,935	\$97,124,512	\$27,963,752	\$5,277,007
1878	265,393,479	32,154,148	17,865,301	102,500,875	27,137,019	4,629,280
1879	295,632,276	40,425,661	15,125,127	106,327,949	35,121,482	5,206,109
1880	301,109,391	38,116,916	13,536,985	95,757,595	56,777,175	5,945,457
1881	296,424,606	40,466,461	15,086,672	82,508,741	50,059,280	6,514,161
1882	298,603,927	43,570,494	15,032,046	71,077,207	61,345,194	9,736,748
1883	308,660,975	48,911,383	15,283,437	59,160,131	66,012,574	7,362,591
1884	291,359,260	39,429,603	17,292,601	54,578,379	55,429,228	6,475,999
1885	305,735,540	42,670,578	16,021,080	51,386,256	56,102,298	6,552,495
1886	285,306,405	34,324,153	13,907,888	50,580,146	63,404,894	6,099,158
1887	314,413,562	38,561,026	15,141,127	47,741,577	75,029,102	6,194,523
1888	321,336,407	38,522,436	16,926,438	44,715,007	80,288,509	6,249,308
1889	357,764,774	44,435,271	21,378,809	41,001,484	87,624,779	6,892,208
1890	377,448,536	44,582,838	22,006,206	36,099,284	106,936,855	6,708,047
1891	434,114,528	48,720,065	26,113,896	37,547,135	124,415,951	8,527,460
1892	418,013,293	46,895,456	29,174,139	23,378,116	134,583,053	11,150,578
1893	459,144,880	49,641,773	30,136,084	27,294,392	159,357,558	13,345,347
1894	444,333,275	54,567,930	31,701,294	27,841,406	141,177,285	10,293,482
1895	432,392,326	51,804,759	28,797,796	30,978,030	141,395,229	9,939,754
1896	433,822,856	50,830,921	27,147,732	35,385,029	139,434,001	12,165,528
1897	448,721,995	48,950,268	34,561,546	37,791,110	141,053,165	13,016,802
1898	530,931,713	91,992,000	58,823,985	37,585,056	147,452,360	10,994,668
1899	698,512,129	229,841,254	63,942,104	39,896,925	139,394,929	12,805,711
1900	621,395,005	134,774,768	55,953,078	40,160,333	140,877,316	10,175,107
1901	635,274,877	144,615,697	60,506,978	32,342,979	139,323,622	10,896,073
1902	607,641,313	112,272,216	67,803,128	29,108,045	138,488,500	10,049,585
1903	653,048,628	118,629,506	82,618,034	28,556,349	138,425,646	12,935,168
1904	729,552,763	165,199,911	102,956,102	24,646,490	142,559,296	10,438,350
1905	719,634,629	126,033,894	117,550,308	24,590,944	141,773,965	14,236,074
1906	736,004,709	137,326,066	110,474,264	24,308,576	141,034,562	12,746,859
1907	761,776,496	149,775,084	97,128,469	24,481,158	139,309,514	15,163,608
1908	854,097,221	175,840,453	118,037,097	21,426,138	153,892,467	14,579,756
1909	895,284,977	192,486,904	115,546,011	21,803,836	161,710,367	15,694,618
1910	915,131,593	189,823,379	123,173,717	21,342,979	160,696,612	18,504,132
1911	928,862,217	197,199,491	119,937,644	21,311,334	157,980,575	20,933,869
1912	936,842,678	184,122,793	135,591,956	22,616,300	153,590,456	20,134,840
1913	985,593,469	202,128,711	133,262,862	22,899,108	175,085,450	20,306,159
1914	1,018,639,534	208,349,746	139,682,186	22,863,957	173,440,231	20,215,076
1915	1,052,531,683	202,160,134	141,835,654	22,902,897	164,387,942	22,130,351
1916	1,034,784,655	183,176,439	153,863,567	22,900,869	159,302,351	17,570,284
Total, 1877 to 1916	22,674,695,657	4,060,534,321	2,435,973,283	1,665,407,614	5,259,907,638	458,792,339
1917	2,297,571,655	377,940,870	239,632,757	24,742,702	160,318,406	30,598,093
1918	13,020,464,799	4,869,955,286	1,278,840,487	186,743,277	181,137,754	30,888,400
1919	18,885,055,468	9,009,075,789	2,002,310,785	619,215,569	221,614,781	34,593,257
1920	6,900,697,632	1,621,953,095	736,021,456	1,020,251,622	213,344,204	40,516,832
1921	6,027,715,680	1,118,076,423	650,373,836	999,144,731	260,611,416	41,470,808
1922	4,276,618,506	457,756,139	476,775,194	991,000,759	252,576,848	38,500,413
1923	4,221,844,234	397,050,596	333,201,362	1,055,923,690	264,147,869	45,142,763
1924	4,081,451,620	367,016,878	332,249,137	940,602,913	228,261,555	40,754,026
1925	4,145,763,167	370,980,708	346,142,001	881,806,662	218,321,424	38,755,457
1926	4,225,273,564	364,059,945	312,743,410	831,937,700	207,189,622	48,442,120
1927	4,180,949,518	369,114,122	318,909,096	787,019,578	230,556,065	36,791,649
1928	4,357,194,690	400,689,683	331,335,492	731,764,476	226,401,462	36,690,808
1929	4,536,172,200	425,947,194	364,561,544	678,330,400	229,781,079	34,086,580
1930	4,706,138,122	464,853,515	374,165,639	656,347,613	230,605,931	32,066,628
1931	4,748,483,672	478,418,974	354,071,004	611,559,704	234,402,722	26,778,585
1932	5,744,491,088	477,449,816	357,617,834	599,276,631	232,521,292	26,125,092
1933	5,725,570,601	449,395,013	349,561,925	689,866,106	234,990,427	22,722,347
Total, 1917 to 1933	102,011,465,806	21,970,064,046	9,158,512,959	12,310,033,133	3,819,765,857	611,227,581
1934	7,683,813,790	408,894,976	297,029,291	756,617,127	319,322,342	23,372,905
1935	8,008,458,014	489,155,454	436,447,860	820,926,353	373,804,501	27,918,890
1936	9,547,419,077	618,919,108	529,031,666	749,396,802	399,065,694	28,875,773
1937	8,836,077,445	628,348,231	556,884,449	866,384,331	396,047,400	36,933,148
Total, 1934 to 1937	34,075,768,326	2,145,317,769	1,819,393,266	3,193,324,613	1,488,239,937	117,100,725

TABLE II.—Summary showing total expenditures of U. S. Government, by periods, from 1789 to 1937

Years	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1789 to 1825	\$499,668,210	\$153,632,628	\$85,935,579	\$141,465,816	\$15,957,304	\$7,722,264
1789 to 1876	9,535,908,621	4,166,205,896	951,815,489	1,711,998,119	400,214,935	165,710,207
1789 to 1912	28,119,054,937					
1789 to 1916	32,210,604,278	8,226,740,217	3,387,788,772	3,377,405,733	5,660,122,573	624,502,546
1789 to 1933	134,222,069,584	80,196,804,263	12,546,301,731	15,687,438,866	9,479,888,430	1,235,730,127
1789 to 1937	168,297,837,910	32,342,122,032	14,365,694,997	18,880,763,479	10,968,128,367	1,352,830,852
1934 to 1937	34,075,768,326	2,145,317,769	1,819,393,266	3,193,324,613	1,488,239,937	117,100,725

TABLE III.—Principal public-works authorizations since 1933 remaining undischarged by appropriation after June 30, 1939, based on pending 1939 appropriations. Costs of some projects estimated from figures furnished in committee hearings; other costs taken from specific authorizations named in the laws

Navy building program (pending bill).....	\$1,121,546,000	
Rural electrification.....	320,000,000	
Rivers and harbors and flood control.....	763,000,000	
Tennessee Valley Authority.....	275,000,000	
Public Roads (Department of Agriculture).....	207,000,000	
Maritime Commission (undischarged contract authorization).....	115,000,000	
Army and Navy public works (other than vessels).....	37,000,000	
Reclamation projects, park projects, and Indian projects (not including Bonneville):		
Blue Ridge Parkway.....	\$6,818,400	
¹ 4,500,000		
² 2,500,000		
	13,818,400	
	34,300,000	20,481,600
Natchez Trace.....	1,331,685	
¹ 1,500,000		
² 1,500,000		
	4,331,685	
	23,500,000	19,168,315
Colorado River irrigation project.....	¹ 500,000	
² 700,000		
	1,200,000	
	10,000,000	8,800,000
Reindeer.....	35,500	
¹ 50,000		
	85,500	
	2,000,000	1,914,500
Revolving loan fund.....	4,000,000	
² 400,000		
	4,400,000	
	12,000,000	7,600,000
Arizona; Gila.....		15,850,000
Salt River.....		330,200
Colorado Big Thompson.....	\$44,000,000	
¹ 900,000		
		43,100,000
Pine River.....	500,000	
¹ 1,000,000		
	1,500,000	
	3,000,000	1,500,000
Boise, Payette.....		3,397,000
Upper Snake.....		1,500,000
Sun River.....		795,000
Carlsbad.....		300,000
Caballo Dam and Elephant Butte.....		1,886,000
Dischutes, Oreg.....		7,250,000
Klamath-Tule Lake.....		720,000
Provo River.....	\$7,924,000	
¹ 350,000		
		7,574,000
Yakima-Roza.....		8,915,000
Kendrick.....	\$5,143,000	
² 250,000		
		5,393,000
Riverton.....		3,623,000
Shoshone.....		3,100,000
Central Valley.....		137,400,000
Colorado River.....		170,000
Columbia Basin.....	\$68,800,000	
¹ 13,000,000		
	81,800,000	
	186,000,000	104,200,000
		208,250,000
Public buildings, Procurement Division.....	613,217,615	
	35,000,000	
		3,486,763,615

¹ 1938.² 1939.

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, these remarks are very similar to a talk which I gave over the Mutual network last evening.

To decide intelligently on the proposed recovery lending and spending program, we might well review how we emerged from the last few panics and glance at present conditions, both foreign and domestic, to discover, if possible, any other avenue of relief.

In 138 years we have had 14 major panics, plus 9 depressions. The first of the last five disturbances began in 1892 and finally disappeared with the Spanish-American War expenditures and the gold flood from Alaska. The one in 1907 is a mystery both as to cause and termination. The 1913 panic vanished in tremendous World War purchases; the one in 1920 disappeared in a \$13,000,000,000 foreign loan to finance more foreign purchases. The panic in 1929, after 4 years of inactivity, disappeared in a \$14,000,000,000 spending program.

The thirteen billions spent in the twenties were originally largely private loans which permanently improved foreign countries. Our recent fourteen billions were wholly public funds, which created permanent domestic assets.

Thus we discover that economic disturbances occur in cycles of 7 to 10 years regardless of political control; that the present one is on scheduled time; that four of the last five panics were relieved by extensive spending, and that the two most devastating ones followed a long delay between the beginning of the panic and the initiation of spending.

Those who now urge us to try a third no-spending experiment tell us that our present difficulties are due entirely to unwise regulatory laws, huge spending, and subservience to labor. Let us examine the basis for this accusation. One of these regulatory laws controls banking. Where now are the crashing banks of the twenties, where the mobs of frantic depositors with billions of lost savings.

Another regulatory law has produced that allegedly terrible regimentation of agriculture. Compare agricultural prices now with those of 1929, or look at the ratio of agricultural with industrial prices in the two periods and you will discover that instead of agriculture leading us into bankruptcy, as it did 8 years ago, it is now preserving solvency.

We have also regulated holding companies and stock manipulations. The Ponzis and Insulls are no longer front-page news. Investors now have a chance to learn pertinent facts, and they know that new issues at least represent real value. In the recent sharp market decline there was much gloom but no panic such as in 1929. Look as you please, wherever Government has really regulated you find no signs of panic except among those who prefer loaded dice.

Is it possible that the germ of panic lies in affording human beings partial security against unemployment and old-age poverty? Or in the Tennessee power development to promote national defense and conservation? Since this development power rates throughout the United States have decreased \$50,000,000 annually. If there is any panic here it is not in the hearts of consumers.

Government spending is criticized. This administration did not spend for mere pleasure; it had no alternative. With Communist mobs on the Capitol Plaza, with hunger crusaders everywhere, and with the "silver shirts" drilling, the stage was set for bloodshed. That setting can and will be easily reconstructed for any administration that turns it back on need. Doubtless mistakes and waste have occurred. But does the record of prior administrations indicate that they would have been wholly free of mistakes or perhaps worse?

The net result of recent spending is far less shocking than our panic-mongers indicate. At Roosevelt's inauguration our gross debt was nearly \$21,000,000,000. But there was then cash on hand and corporate holdings worth two and three-quarter billions, leaving a net debt of eighteen and one-fourth billions. Today our gross debt is thirty-seven and one-half billions. But we now have a stabilization fund of two billions, plus cash and corporate holdings of six and one-half billions, leaving a present net debt of twenty-nine bil-

lions, of which ten and three-fourth billions was created under Roosevelt.

Two billions of that debt, however, paid the soldiers' bonus, a moral involvement of a prior administration. This payment was forced by a nonpartisan coalition over Roosevelt's veto. Therefore, the true Roosevelt debt, in all fairness, should be reduced to eight and three-fourth billion dollars.

Created by this indebtedness we have permanent public improvements most conservatively appraised at six and one-half billion dollars. Six and one-half billions salvage out of fourteen billions spent for relief is not so wonderful, but it is more than will ever be redeemed out of the thirteen billions spent in the twenties. Consequently, the net cost to our children of the entire Roosevelt program in 5 years of unprecedented flood, drought, tornado, and panic devastation is two and one-fourth billion dollars. These spending facts make a poor basis for panic, except to those who hope to use a panic to escape regulatory laws, reduce taxes, and frighten labor.

It is my opinion that this Congress is following an unwise policy in not materially increasing our income taxes in the brackets between \$5,000 and \$20,000. As compared to the tax burdens in foreign countries that group in the United States is almost untaxed, so far as income is concerned. If we do not take this or some similar step to bring our income in line with our expenses, our only other solution will be ultimate depreciation of currency. The French Republic gives us a fine example of this situation. The average Frenchman apparently would much rather see his capital disappear in devaluation of currency than pay a few extra sous in taxation.

Have the alleged excesses of labor created this panic? The proof is not convincing. We certainly all recall President Hoover's repeated boasts that his administration had been most free of strikes. The much-maligned Wagner Labor Act and the vilified Labor Relations Board did not then exist, yet the Hoover panic arrived. No one, I believe, would like to defend the recent conduct of labor in its entirety. Unauthorized strikes, purely jurisdictional strikes, seizure of utilities, and defiance of constituted leaders are hard to defend. However, human nature is very prone to abuse unaccustomed power. For decades labor was buffeted and exploited, not by a majority but by too many employers who themselves had uncontrolled power and abused it. For the first time labor has recently received a lawful break, and perhaps our criticism ought to be tempered with patience.

England had very similar experience and finally enacted the Labor Unions Act of 1927. Our solution may be entirely different, but certainly some reasonable experimentation ought to be allowed. Those who cry loudest for rugged individualism and the privilege of free experiment for themselves vehemently deny this privilege to those struggling with the problems of labor.

The same remark would apply to administration tax measures. In the twenties there were certainly few laws to disturb tax evaders. In fact, during that decade the Treasury, without any public hearing, actually refunded to a favored list over \$2,000,000,000 of taxes that had been collected under Wilson. In addition, a most indefensible tariff tax law made the life of those in the high-income brackets one long, sweet song. Yet, in spite of giving \$13,000,000,000 to foreigners, in spite of a strong antilabor administration, and a rich man's tax heaven, the panic of '29 came on scheduled time, just as has this one of '38.

Many New Deal laws have created irritation. Increased taxes are burdensome. Labor legislation has caused dissatisfaction. But those who attribute the panic to these laws and taxes would do well to look abroad and see everywhere the post-war industrial factors that have made drastic remedies and high taxes universally necessary. Perhaps they will conclude that it is the disease and not the medicine that is the cause of our trouble.

This disease arises out of a world-wide destruction of free competition by excise taxes, exchange pools, trade barriers,

gigantic corporate growths, labor organizations, professional guilds, multifarm cooperatives, and a host of other schemes, some commendable, some predatory. Classic principles of political economy are thus defied, and a great defenseless class driven outside the pale of normal economic laws.

The World War, like a great volcano, brought these submerged classes to the surface. They cried aloud for justice. Free governments generally proved helpless and dictatorships followed. Urging this Government, as a depression cure, to repeal our regulatory laws, while remaining silent about the retention of those individual practices that have already destroyed free competition, is just unadulterated piffle. The very leaders of this cry for restored individualism and free competition gave us our highest tariff and will be in the forefront fighting the proposed regulation of monopolies. We cannot ignore living economic facts in a pursuit of dead economic theory. Such a plea, with a tribute to our rugged pioneer ancestors and a tearful protest against a policy of scarcity, makes a rousing political speech, or a fine resolution for a chamber of commerce, but it does not make sense.

Most New Deal activities have created groups who feel themselves unjustly curbed. They hate Roosevelt, and only a Congressman's mail can reveal the bitterness of that hatred. By joining forces they have tremendous political power. Every President who has ever accomplished anything for the common weal has, toward the close of his administration, experienced this same vitriolic opposition. Lincoln became a tyrant, Wilson a despot, and now they cry "dictator."

Added to this group are the radical reformers, each of whom believes that wisdom will die with him and that he alone has the key to economic security. When the President rejected their divergent gospels they hated him as only fanatics can. Fanaticism and frustration cooperating for revenge, using a largely subservient press to spread falsehoods and half-truths, easily created a mob psychology of baseless fear. Combine this fear with a truly terrifying world situation and little was needed to start this panic.

Mr. BINDERUP. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Nebraska.

Mr. BINDERUP. The gentleman says that the 1937 depression was because of curtailed expenditures; yet the Federal Reserve banks say frankly and freely, I might almost say boastfully, through Mr. Eccles, that the depression of 1937 was deliberately planned because prices were going too high. In his public utterances Mr. Eccles has stated he deliberately planned that prices should come down in 1937.

Mr. HARLAN. I am not familiar with that statement of Mr. Eccles.

Mr. BINDERUP. Does the gentleman believe that the panic of 1920 was caused for any other reason than the fact that the bankers took \$10,000,000,000 out of circulation? Does the gentleman believe that the panic of 1929 was caused for any other reason than because the bankers took \$8,000,000,000 out of circulation and that it was planned as the 1937 panic was planned?

Mr. HARLAN. The gentleman has given so much more study to the banking situation than I that I cannot presume to answer his question.

League of Nations reports show that a sharp slump in world trade began in April of 1937 and that during that year world production dropped 17 points. Unfortunately, at this time we radically curtailed Federal expenditures. Unfortunately, also, since the destruction of the N. R. A., industry has no agency, as does agriculture, to fit production to demand. A commodity surplus developed, an industrial reversal set in, and the panic was on.

In view of these facts, to lay this depression at the door of regulatory laws, corporation taxes, or friendliness to labor, simply does not make sense. All of these factors were in full force during 1936 and some of them much earlier, yet 1937 was only second to 1929 in prosperity. The only new governmental act that coincided with the beginning of this depression was the curtailment of Federal expenditures. Industry, therefore, prospered under those laws, taxes, and

labor policy of which it complains, but it bogged down under too severe governmental economy, which it advised.

Recall also that in 1929 we suffered our worst panic when we had few regulatory laws, lax corporate taxation, no direct relief expenditure, and little sympathy with labor.

This depression has the common traits of most others. It came at the expected time. It followed swollen inventories, an overexpansion of credit, an orgy of human selfishness, and unfavorable world conditions. Its novel feature is the very obvious manufacture of panic psychology by those who like to play without rules, and pay taxes only when they get caught.

Its obvious cure lies in alleviating these conditions as much as possible. We need greater cooperation by industry with government, a little more honesty in the public press, much less venom from those who disagree politically with our President, possible amendment but preservation in principle of existing regulatory laws, reorganization of Government machinery, and tireless efforts to promote world trade, economic stability, and peace. If we cannot progress along these lines, no one but an economic quack can offer us hope for relief from periodic panics, except at the price of human liberty.

Meanwhile, however, let us not be confused as to panic causes nor stampeded into adopting remedies already repudiated by our experience. Let us remember that four of our last five panics disappeared in some form of a spending program. If such a program is not a cure, it is nevertheless our only known palliative. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY of Indiana. Mr. Chairman, the Republican Party in full control of the Government suffered the 1929 panic to come and after it came created the Farm Board to take the farm crops off of the market, and recommended farm-crop reduction under a program of want and scarcity at the expense of both the farmers and city consumers.

Then money-loan agencies were created to refinance railroads, banks, and big business on the theory that large financial institutions would pass prosperity on to the masses, but the money lodged and lingered in the first taker's hands. All proved fruitless and of no avail and the Hoover Administration was driven from the control of the Government.

By the same election and voice of the people a new Democratic administration and Congress was commissioned by the voters at the polls to remedy the 1929 depression left by the Republicans and to restore normal prosperity to the people, all of which was promised as an election pledge, and the country rested in full confidence and assurance.

But the Democratic administration and Congress have not only failed to remedy the 1929 depression, as promised and pledged to the people, but have suffered a relapse of recovery and another depression or panic to come upon the country. The two depressions are now merged into one panic, and both are continuing still without a remedy.

Both political parties in Congress are now without a prepared remedy to offer. Both are at the end of their legislative ropes; both are standing confused and helpless, looking for some magic cure, for some mysterious, supernatural agency to take the place of economic laws for recovery and supplant the logic of cause and effect.

Now that we must provide further relief there is a way to provide the money and provide for substantial relief and recovery, and the people can get full value received without adding to the \$15,000,000,000 debt and the ever-growing compound interest, which in time will make the debt double.

If the proper and rational remedy had been applied to relieve from the 1929 depression, this relapse or the 1937 depression would never have come, and no further public relief appropriations would have ever been called for. The panic would have been ended and private industry would have been restored.

But now this mistake can be overlooked if it can be used to teach a lesson and be the means of finding the proper remedy. We can proceed without further error with confidence and assurance in the future and without another relief appropriation made to come again at a later time.

With the 1929 panic or depression left still without a remedy and with the growing failure of employment, there must be relief provided to the people in full, ample, and sufficient amount to maintain them in comfort and without want until private industry can be restored.

We are in another so-called cycle depression, and millions of people are on the relief rolls; the army of the unemployed is recruited up to 14,000,000, and, no matter what may be our own theories of recovery from this depression, we are facing a serious condition of the people which must be met promptly with adequate relief.

As much as we may disagree regarding the necessity of the fifteen-billion debt and as much as we may be opposed to increasing the debt further, yet, if there was no other way open to us to provide relief for the army of unemployed and the suffering 20,000,000 destitute people, we would be compelled to vote for such an increase.

But there is another way to provide this relief for the suffering unemployed millions without increasing or adding to the interest debt. And one of these ways is open or available to us under this works and relief bill being considered and without the cost of a single dollar or to be a charge upon the Public Treasury.

The rural electrification program to carry electricity to the farmers of the country, the same as the people of the towns and cities, is the one governmental undertaking which is not costing the Government nor the taxpayers of the State or Nation a single cent directly or indirectly.

If this money were borrowed at 3½-percent interest and loaned to the farm cooperative organizations for the construction of electrical lines, the farmers would pay back to the Government every dollar of principal and interest and every cent of the cost of administration.

But the Government will not be required even to borrow the money for a time. We have the currency facilities to issue the money even for the whole amount of this appropriation, and instead of turning it over to the financiers and paying them 3½-percent interest for the use of our own money, the Government could loan it to the farmers for 1½-percent interest and all the interest collected go to the Public Treasury.

And to furnish the money to the farmers, instead of a cost to the Government, it would bring the Government a profit of 1½ percent. This would not require a single new law enacted, nor a single new board or agency provided, nor a single new office or public official, nor any new or different form of money for use.

All that remains for Congress to do is to command the officials already empowered to act to direct the functions and operations of existing governmental means and agencies; is to make a demand that these laws now be resorted to and the money will be immediately forthcoming.

The United States Supreme Court, the highest judicial tribunal in the land, has passed upon these laws on the statute books, empowering and authorizing the issue of legal-tender money, and has found them valid and in full force and effect.

The Government need not be required to make a gift or a donation of a single dollar of the money to be used. The farmers in building their electric lines in this way would not increase the public debt nor require a single dollar to be met from taxes.

The money loaned to the farm cooperatives for the construction of new electrical lines would be used in providing employment locally, in every community in the country, in digging holes and setting posts, and in hanging wires, and in 100 other ways provide work and employment to men.

And then when the lines were completed—and they would be built at once—the farmers would need electrical equip-

ment, many electrical equipments and utensils needed in use in the farm home, kitchen, and laundry, and for the hundreds of other farm-home operations which can be performed by electric power.

And the farmers in their daily farm operations would promptly need, order, and buy many farm electrical devices and machinery, such as water pumps, and wood saws, feed grinders, and motors for different farm machines and for the hundreds of other farm electrical operations which they need performed to compete with other producers.

The demand of farmers for electrical machinery would reach to every line of industry, to every factory, mill, and workshop, and would call for many thousand workmen to produce the electrical machinery, devices, and equipment needed; would start new factories in the land and would compel others to enlarge their plants.

There is no other expenditure of money which would produce such prompt results, and bring about the immediate employment by as many men in a given time, as the expenditures of money for rural electric lines. And all without any cost to the Government, and a saving of 2-percent interest to the farmers.

If this whole amount of \$5,000,000,000 which is to be appropriated for relief, but, for which we are not asking would be used for this purpose, it would take up the slack in employment; it would provide employment to the people and take them off the relief rolls and it would start prosperity moving everywhere.

Mr. RICH. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Chairman, because of the intimate knowledge the members of the committee have of the subject under consideration, I prefer not to deal in detail with the different subdivisions of this appropriation bill. I do wish to make some remarks which may be considered collateral, but I believe they are pertinent to the present debt situation.

The tremendous amount involved here today may be just an incident to the President of the United States and his financial advisers, but it is of great importance to citizens who think and toil. The financial solvency of a nation not only pertains to the present welfare of its people; financial solvency is probably the greatest instrument of preparedness and security. We thus are interested in the amount of our obligations. Today, throughout the world, we have a number of nations with warlike leaders, whose ambitions are checked only with empty treasuries. You will recall that Napoleon said there were three requisites for successfully carrying on a war. The first was money, the second was money, and the third was money. So, in considering this huge expenditure we should endeavor to weigh its relation not only to our economic welfare today, but also its direct bearing upon our ability to withstand aggression from without or attacks from within.

And, is it not pertinent to inquire, are all of these tremendous funds required at this time; or, being an election year, is this the customary Roosevelt basis for a coming campaign?

March 1, 1933, the Federal public debt was, in round figures, twenty billion dollars. Now, within 5 years, this same debt has reached the approximate figure of fifty billion dollars, a dead net loss of five or six billions per year, and I shall briefly analyze the different units of this total.

The Treasury statement issued May 7 gives the gross debt as \$37,477,163,361.37, which is the admitted or fixed liability of the Treasury. What about the other debts, either fixed or contingent? It is proper to call attention to the fact that the Treasury statement of the same date shows that our Treasury has on hand \$12,876,498,410.85 of gold. Of course, we all understand that this gold is marked up 41 points above the old world price; therefore, these two figures should be multiplied so as to ascertain the real value, which will show a mark-off of \$5,199,364,348.44, or approximately \$5,000,000,000, when and if we revalue or retrace, and undoubtedly this step will be taken, either with our permission, or through a concert of the principal nations of the world. So

there is a contingent \$5,000,000,000 that we do not take into consideration when we are talking about our gross public debt.

What about silver? Today the Treasury of the United States reports that we have on hand \$1,515,144,442.89 of silver, valued at \$1.29 per ounce; that the price of silver on the London market, which fixes the world price, on May 9 was 42½ cents per ounce, or slightly less than one-third of the value placed on silver held by our Treasury. So we are obliged to deduct two-thirds of the face value of the silver that is carried in our Treasury footings, which deduction amounts to a billion dollars. This real value is not considered when we talk about current Federal debts. If we add the five-billion mark-off in gold, plus one billion mark-off in silver, it shows we are carrying on our books gold and silver for \$6,000,000,000 more than the old world value of these metals, which might be added to the \$37,500,000,000, and this would make a national obligation of about \$43,500,000,000.

Are there other obligations? Well, at this session we have passed a naval bill that carries \$546,000,000 and also an appropriation for the Military Establishment of the Government of \$644,000,000, and just recently a conference committee agreed to a naval-building program which will amount to \$1,191,000,000. These are obligations which might be lightly mentioned when we are talking about other debts.

Then when we enter that vast indefinite field of liabilities of our Treasury, we should consider the excessive losses that will be occasioned to scores of Government corporations that are making loans of one character or another. The mark-off in these items will undoubtedly reach tremendous proportions. You will recall that only a few weeks ago we passed an act which permitted the Reconstruction Finance Corporation to mark off \$2,688,000,000 of worthless obligations. Reference to this huge item has not been included in a fireside chat.

Impartial surveys have been made of the resources of these Government corporations and, of course, there can be no definite fixation of the value of the same, but it is generally believed that the losses will equal one-half of the amount of the loans. This should be added to the totals I have mentioned. The amounts involve billions of dollars.

We have also outstanding commitments for many non-liquidating projects, which mean dead losses to the Treasury, such as unneeded public buildings and works, rivers and harbors, and a multitude of other activities of the Federal Government competing directly with private industry, the total of which has never been estimated.

So when we take into consideration these figures, the total must be, and is, appalling; but someone may say, "Oh, those debts are not fixed," but I undertake to reply that if any Member of this body went into a bank and sought to make a loan and said, "I owe this amount on a mortgage and another amount on a note," the banker would say, "Yes, but have you not contracted for certain expenditures to improve your home and to rebuild improvements on your farm and your place of business?" The borrower would be obliged to admit he had, and those amounts, even though unexpended, of course, would be added to the liabilities of the borrower, and would be considered by the banker in making the loan. What a fine thing it would be, Mr. Chairman, if we could have an honest, impartial, nonpolitical audit made of the outstanding obligations of the United States Government, so that you and I could more intelligently act when proposals come in here to expend further tremendous amounts.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield to my colleague.

Mr. GWYNNE. Let me refer to page 19, paragraph (e) of the bill. Does the gentleman think that provision of the bill would have the effect of suspending the constitutional prohibition in our State against a debt above a certain amount?

Mr. THURSTON. I will say it is an extraordinary situation when the Federal Government comes in, and not

through innuendo but through a definite legislative provision, invites the States or their subdivisions to commit a fraud upon their own people. Here you say that in the event, due to constitutional limitations, any State, territory, or possession shall be unable to participate by way of a loan or grant because of such constitutional limitation, funds will be loaned to this city or unit of government when there is a definite and clear legislative or constitutional prohibition on the part of that State that a public official, or officials cannot contract a debt to exceed a certain limitation. Through subterfuge and nothing but plain collusive fraud, it is proposed here that these public officials can contract loans by making leases, and thereby through such duplicity avoid the legal inhibition which the constitution of their own State has written in order to try to safeguard such subdivision from extravagant officials.

[[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. THURSTON. And who would think that such a provision could be enforced in any court? Immediately the limitation of the State legislation would be called to the attention of the court and no court would force a repayment of this money. So, to strip away the subterfuge, States, or their subdivisions that have such an inhibition, are to be the recipients of a very generous gratuity on the part of the Federal Government.

Does that answer the gentleman's question?

Mr. GWYNNE. It does.

Mr. THURSTON. We are all familiar with the old fable that adding the last straw to the camel's back will be fatal to that animal. You and I, as Members of Congress, have a great responsibility, and today we are called upon to test that admonition; to meet that responsibility.

How much greater debt can our Nation create without bringing on a complete collapse, with a Federal debt staring us in the face of approximately \$50,000,000,000, and the States and their subdivisions now owing more than \$19,150,000,000, making the total public debts of this country almost \$70,000,000,000. May we not stop, look, and listen to ascertain if this further step may not prove to be one straw too many?

How humiliating it is to us on this side of the international boundary line to know that we have constantly and greatly increased our debt and then read press releases from the nation to the north of us, Canada, which report that they are getting along nicely and have not materially increased their public indebtedness in the last few years, and yet they lack many of the resources we have in this country. They are mostly an agricultural nation, whereas we have about all the metals and the oils and other requisites to make a well-balanced, almost self-contained nation; and yet with all of our resources and supposed intelligence we face this very, very unenviable comparison.

Recently the House of Representatives, in exercising its wisdom on the reorganization bill, refused to allow the President to audit his own expenditures, as was proposed, and the next day securities of all kinds increased in value. A left-handed compliment to the President. Why the increase? Doubtless this reflection was caused when the country felt that the Congress might again assume its proper legislative functions.

Letters composing the word "confidence" form the most important word in our country today. Will its implications be made more secure, or will it be undermined by our action on this bill?

It seems to me that we are facing a critical situation, not just in regard to this certain measure; but if we pass this, in view of what has transpired in the last 3 or 4 years, are we not in effect saying to the country that we expect from time to time to continue these excessive appropriations, no matter how much will be wasted, or what the outlook may be? We are interested in a joint enterprise. We are equal partners in this great country of ours, irrespective of political affiliations. I know that every Member of this body is deeply concerned about our future and he is

anxious to follow a course which will prove to be sound and reasonably safe; so should we not today stop and make a survey of this tremendous debt that we have, so that we can endeavor to visualize what will be the effect if we add materially to that amount?

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. For a short question.

Mr. WOODRUM. The gentleman has made a very interesting speech. I wish he would tell me whether he intends to vote for the bill or against it.

Mr. THURSTON. Against it, unless State supervision replaces the present political wasteful administration.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. LUECKE].

Mr. LUECKE of Michigan. Mr. Chairman, hardly a mail comes in that does not bring some letters for or against the bill before us. I may say also that none of those who write the letters are opposed to relief. They want relief of some kind but they do not want the present program. So I take it that those who do not want this program want the dole, and what does the dole amount to?

From the records of other nations that have had the dole, it averages about \$2.50 to \$3 a week. That is what the dole amounts to in Great Britain and what has been the result?

Not long ago the authorities of that country took it upon themselves to build up a larger Army and Navy, and they opened the doors of the recruiting stations and invited the young men and the unemployed to come in and join the Army and the Navy. And lo and behold, they found that four out of every five were undernourished and underweight. They found that 22,000,000 persons in Great Britain were undernourished and of course the authorities became alarmed, and they immediately established kitchens in every village and hamlet and city and they fed many people of the nation properly for the first time in many years. It had come to a point where they could not get soldiers for the Army and Navy who had the proper physical qualifications.

That is what the dole amounted to in that country. The issue here today is not whether we shall have relief of some kind or none at all, because we all agree that we have to have relief. The issue is, Shall we have a work program or a dole?

Great Britain is not the only Nation that has had that experience, and that was only about a year ago and it is still fresh in the news.

The same thing happened in Germany immediately after the war when that nation found itself with millions of unemployed. They too had a dole of about \$2.50 a week, and the authorities there found that malnutrition was rapidly undermining the nation's health, the present regime over there established a work program to get away from the dole.

I picked up a copy of the New York Times today and here is what I read, and it is an alarming thing:

TUBERCULOSIS IN 33 PERCENT ON ENTERING COLLEGE—REPORT TO AMERICAN YOUTH GROUP COVERS 56 INSTITUTIONS

More than a third of the new students at 56 colleges and universities which make tests for tuberculosis were found to be infected to some degree, according to a preliminary report to the American Youth Commission on a survey of the health of college students.

The report, presented to the commission at a meeting here today, with Owen D. Young presiding, covers a survey conducted in 551 institutions of higher learning by Dr. Harold S. Diehl, dean of medical sciences at the University of Minnesota, and Dr. Charles E. Shepard, director of the Men Students Health Service, Stanford University.

The report said that of the 551 institutions covered, only 101 had facilities for making necessary health tests, and of these only 56 give the tests as a matter of routine to new students.

"The problem of tuberculosis in college students is indeed significant if we are to find, as these studies indicate, that one-third of all students entering our colleges are already infected and if one student in almost every 200 examined will be found to have an adult lesion," said the report.

"The early discovery of tuberculosis in college students is of great importance to the student who is suffering from the disease, to his associates exposed to the infection, and to those who are investing in his education."

How has that come about? I can tell you. If the truth were known, it is safe to say that those students are coming from the homes of people who are unemployed. That is the result of malnutrition.

That is what has brought this thing about, and now there are some who would say, let us give these people \$3 a week instead of \$44 a month, such as they are now receiving from W. P. A. If this thing can happen under the Works Progress Administration and other public works, what will happen under the dole?

Every time a bill comes before this House which deals with war-making purposes, we hear the argument that it is cheap insurance at any rate, and we can pass a bill here of billions for war purposes, and we are told that it is cheap insurance.

I say to this Congress that a relief bill which will give the unemployed work and a respectable living is cheap insurance. You are not investing that money only in the people who are here today. You are investing that money in the next generation, and that is where the dividends will be paid and where they will flow from, not so much from this generation.

Is there a man in this House who would stand up and say that he would not invest a dollar in the children of the Nation, who would not invest a dollar in his own neighbor? I do not think you can find one. And yet when the problem of relief expenditures comes up on the floor immediately we are going into bankruptcy and ruin.

I will tell you how to ruin this country, and do a quick job of it: Do not provide for the unemployed. Disregard those in distress. Give them a dole of \$3 a week, and I will venture to say that in 6 months' time we shall be well on our way to ruin. It will not be safe to venture out after dark.

If this public-works program does not go through and we have to put our people on a dole, what is going to happen? What will happen if we ever put relief back upon the shoulders of the communities? They cannot handle this problem.

How easily I visualize what went on back in my own community in 1932. Between 300 and 400 men would gather on the steps of the city hall whenever the city council met; and those men had blood in their eyes, because at home there was want and destitution; but since we have had a public-works program, gatherings of that sort do not appear any more.

Laudable as the works program is, it still is not enough, it still does not solve the problem. There was on the floor a moment ago a chart which showed that industrial production in 1937 was back to the 1929 figure; yet last year with production within a few points of the 1929 peak, we still had 7,000,000 unemployed.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. CHURCH. Mr. Chairman, will the gentleman yield for a question?

Mr. LUECKE of Michigan. I yield.

Mr. CHURCH. Are not the students of whom the gentleman just spoke children of taxpayers?

Mr. LUECKE of Michigan. What difference does it make whether they are children of taxpayers or not?

Mr. CHURCH. The unemployed are not able to send their children to colleges.

Mr. LUECKE of Michigan. Oh, the National Youth Administration is sending children to college. I know in Michigan the National Youth Administration made it possible for thousands to further their education.

Mr. CHURCH. Will the gentleman yield further?

Mr. LUECKE of Michigan. I yield.

Mr. CHURCH. Is not the situation more apt to be that the taxpayers are becoming so poor they cannot afford to feed their children and send them to college, too?

Mr. LUECKE of Michigan. I am not talking about whose children they are. The fact still remains that one out of every three, according to this news article, is going to college underfed and undernourished to the point that they

are becoming tubercular. That is the thing which we should heed.

Getting back to the unemployment situation again, we had 7,000,000 unemployed in 1937 with production back to within a few points of what it was in 1929. What does this mean? It means that these 7,000,000 will be permanently unemployed unless we can get production about 20 points above the 1929 level. Not so long ago a Gallup poll showed that the people want public works and not a dole. Let us give it to them. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I have taken the trouble of preparing a summary of the Dies bill (H. R. 6391), which is being attacked through propaganda by certain groups upon the ground that it is going to open the doors to immigration and will not result in the deportation of the alien criminals in the country. I hope the Members of this House as well as of the other body will take the trouble to examine carefully my analysis of this legislation.

I submit, Mr. Chairman, that the bill that we passed in this House is legislation that is sorely needed in this country today. It has nothing to do with the opening of the doors to immigration. It has nothing to do with immigration or with the quota laws at all. It is primarily a bill to deport a lot of alien criminals whom we cannot now deport. On the other hand, it is designed to take care of a comparatively few persons in this country who have committed no crime, but whose records of entry cannot be verified. The propaganda that is being spread in this House and in the Senate is not only absolutely cruel and inhuman, but largely false, because the bill that passed the House by an overwhelming vote—176 to 33 against a motion to recommit—does not interfere at all with the present restrictive-quota plan of alien control.

The bill has now been favorably reported by the Senate Committee on Immigration and will shortly come up for action in the Senate.

This proposed legislation is an act to make certain adjustments in existing immigration laws as regards aliens already resident in the United States. As such it will be a valuable help to the Immigration Service in the enforcement of the law in seven particulars.

First. The most important improvement on present immigration practice contained in this act is embodied in section 2. This section authorizes the Secretary of Labor, in a numerically limited number of cases, to exercise discretion in permitting to remain in the United States aliens who have entered illegally but have proved good moral character and desirability, and who have either been in the country for 10 years or who have lived here for a shorter period but are closely related by blood or marriage to either American citizens or aliens lawfully admitted for permanent residence. The purpose of this section is to solve many cases where deportation is now mandatory on the ground of illegal entry but in which such deportation would work unjustifiable hardship on members of the alien's family or on his or her position in the community established by 10 years' residence. This discretion specifically may not be applied to any anarchist or subversive agitator, any violator of narcotic acts, or any criminal, prostitute, immoral person, or alien excludable under the terms of the 1917 act. One exception to the above exclusions is made in the case of aliens convicted of fraudulently securing visas or passports, because experience has shown that many aliens have illegally entered the United States with fraudulent papers through being the innocent dupes of racketeers, while others have made false statements through confusion or lack of appreciation of the seriousness of their misrepresentations. The discretion conferred on the Secretary of Labor will enable that official to discriminate as to the seriousness of such frauds in determining the good moral character specified in the bill as a prerequisite to the admission of such aliens to a status of legal permanent residence.

The Immigration and Naturalization Service is constantly confronted with so-called hardship cases where aliens of good character, firmly established in the United States and supporting families which often include American wives and children, must be driven out on account of technicalities involving their original entry. Such deportations cost money to the Government, bring much sorrow to innocent persons, and result in harsh treatment beyond anything justified by the merits of the cases.

The discretion allowed the Secretary of Labor is limited to 4 years and to 3,500 cases in the first year and 1,500 cases in each of the remaining 3 years. The experiment of allowing such discretion to a responsible and highly placed officer of the United States Government is good sound common sense and is fraught with no danger to intelligent immigration practice.

Second. Section 1 of this act will broaden the basis of deportation of alien criminals. At present the Immigration Service can only deport criminals who have been convicted of a crime prior to entry, or who within 5 years after entry commit a crime resulting in a sentence of at least 1 year's imprisonment, or who have proved themselves habitual criminals. Under this new law there will be added to the above classes any alien against whom the Immigration Service may issue a warrant of deportation because of a crime committed within 5 years prior to the date thereof which has resulted in a sentence of 6 months' imprisonment, but with no option of paying a fine instead; also any alien convicted of the crime of possessing or carrying firearms, or of violating State narcotic laws, or of smuggling other aliens into this country. This widening of the basis of deporting aliens who have proved themselves undesirable by criminal activities will strengthen our ability to get rid of bad elements among the foreign-born. Because these new provisions, as applying to (1) petty offenders within the scope of subsection 1 of this section; (2) firearms carriers within subsection 2; and (3) alien smugglers within subsection 4, may in a few cases work hardship on aliens of essentially good character, whose infraction of the law may have been of a technical or unimportant nature, the discretion of the Secretary of Labor, in section 2 of the act, to allow aliens of good moral character to remain in the country, is specifically extended for the possible inclusion of such cases.

Third. Prompter issuance of warrants for the arrest of aliens believed to be subject to deportation is made possible by section 3. The Immigration Service often loses contact with deportable aliens while applying to Washington for warrants, under the present practice.

Fourth. Section 6 terminates an undesirable preference given to agricultural laborers by the Quota Act of 1924.

Fifth. Section 7 eliminates a technicality of the present law which causes the Immigration Service much trouble. Under the present law an alien legally resident in this country who even steps across the Canadian or Mexican boundary line is legally considered to have made a new entry into this country when he steps back. The date of the alien's last entry into this country often determines his status, and the Immigration Service now finds itself embarrassed in many cases by new entries into this country where there has been no intentional departure. This section has no application except to legally admitted immigrants of good moral character.

Sixth. Section 8—of the bill as amended by the Senate committee—enables the Immigration Service to legalize the entry into this country of aliens of good character who entered between June 3, 1921, and July 1, 1924, and in whose cases no record of admission for permanent residence can be located. Under existing law this can now be done as to those entering prior to June 3, 1921. The immigration law which went into effect on July 1, 1924, established an improved system of keeping immigration records; before that date the records were badly maintained and the exact status of many aliens was impossible to determine. Some of these aliens are forced to leave the country through no fault of their own but because of the inadequacy of the records. This section corrects that situation.

Seventh. Section 10—of the bill as amended by the Senate committee—permits the legalization of the immigrant status of a limited number of novitiates of religious orders who were legally admitted as visitors prior to January 1, 1937.

The other sections of the bill merely enlarge upon the above purposes.

It should be noted that—

(a) The bill does not permit or authorize the entry into this country of any alien not already here, nor by legalizing the position of aliens who have entered illegally does it numerically increase quota immigration into this country, either past or future; because under section 9 all such persons are charged to existing quotas.

(b) It is not an amnesty bill—as certain citizens hostile to its passage falsely claim—for it specifically does not permit the continuance in this country of any alien not possessing good moral character.

(c) It does not modify existing law a single iota insofar as the deportation of criminals is concerned, but on the contrary provides for the deportation of additional classes of criminals by the provisions of section 1.

A great many uninformed or misleading statements have been made in opposition to this act, which Senators, taking the time to read its provisions, will find to be entirely without grounds.

To summarize, this bill in a number of ways improves the administration of the immigration laws; it will legalize the status of alien breadwinners who are supporting American-citizen wives and American-citizen children, and whose expulsion from this country would serve no sound economic purpose, but would work a hardship on all concerned. It broadens the basis for deportation of undesirable criminal elements. It eliminates certain technical bases for exclusion, where the merits of individual cases are all in favor of the retention of persons legally admitted to the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

UNEMPLOYMENT RELIEF

Mr. SAUTHOFF. Mr. Chairman, once more we are faced with the grave problem of putting unemployed men and women to work. Estimates of those seeking a job range from 10,000,000 to 12,000,000. Either figure is out of all proportion to the number that could reasonably be expected to be unemployed, for in a country as large, as wealthy, and containing so many natural resources as ours, no man or woman able and willing to work should be without a job. Only those who are mentally and physically unable to hold a job should be reasonably expected to be unemployed. How great that number is we do not know. It has been estimated in the neighborhood of 4,500,000. If that figure is correct, it still leaves 5,500,000 to 7,500,000 jobless.

THE DUTY OF GOVERNMENT

Governments are instituted among men for man's advantage, and he has a right to look to his government for help when his welfare is at stake. In the past the needy have been provided for by local units of government, but during the bitter months of the winter of 1932 and 1933 it became evident that the problem of the jobless was too huge a task for local units, and that State and National aid must be given to help take care of the needy. As a result, at the urgent request of President Roosevelt, Congress speedily passed the necessary legislation to furnish Federal aid for the benefit of those unemployed. While this aid was not sufficient to take care of all those on the relief rolls, nevertheless it went a long way toward solving this grave problem. The Government, with the cooperation of State and local units, instituted work projects which helped the local communities and at the same time aided industry and labor. The building of schoolhouses, the laying of sewers, the construction of court-houses and other public buildings—all these speeded up the wheels of industry so that industry was revived and prosperity came back to our people. The national income rose from \$36,000,000,000 to \$60,000,000,000, and there were times

during the best months in 1937 when the national income was \$6,000,000,000 per month. In spite of this fact, at the same time that we had this marvelous upturn in industry and employment, the number of unemployed never fell below 6,000,000. There were still too many people unable to secure work, especially those who had passed the age of 50. Modern industry, with its huge mechanical devices, has speeded up production to a point where men and women who have reached the age of 45 are no longer wanted and are crowded out to make room for younger and faster employees. Here is a problem that modern industry has created—the junking of human labor on the scrap heap of unemployment. What is the solution? Either the Government must own industry and furnish employment or the Government must create jobs and put the people to work, taxing the industries to pay for it. Industry cannot expect to create the problem and then fail to shoulder the burdens resulting from it and wash its hands of the entire subject with the plea, "Let industry alone."

LAISSEZ FAIRE

The doctrine of laissez faire—let us alone—has been freely invoked by big business whenever the Government has sought to regulate working conditions and to improve the welfare of labor generally. Time and again big business has invoked such slogans as "Keep government out of business," "Too much government in business," "Let business solve its own problems," and a number of others, but I would remind you that when big business wanted a special privilege by way of a high tariff it invoked the aid of the Government to secure that tariff, which is no more nor less than a special tax on the consumer for the benefit of big business. Furthermore, when the railroads, the banks, and the insurance companies needed money to weather the storm of depression they did not hesitate to call upon the Government for aid in time of distress. Big business, therefore, is not justified in claiming that government is destroying it, when it was created through special favors from government. It is the duty, therefore, of big business to appreciate the fact that its prosperity depends on its cooperation with the Government and upon its fair treatment of its employees. A spirit of cooperation instead of hostility would go a long way toward correcting the ills of our present unemployment problem.

THE CINCINNATI PLAN

In my research to discover a plan which has been tried and found successful I came across the article of Dr. Stanley High, printed in the Saturday Evening Post July 24, 1937. The city of Cincinnati recognized the importance of the unemployment problem and tackled it very intelligently back in 1928. It did a good job of it. In 1932 the city established a committee on coordination and cooperation. The members of this committee were the city manager, Col. C. O. Sherrill, the president of the board of education, and the president of the board of county commissioners. That committee has met faithfully every Monday noon. It has carefully scrutinized the budget and the program of the city's various departments. The city's business affairs have been brought under single management. This committee on coordination made a careful research and a preliminary study so that accurate data might be secured on which to base its program. Briefly, the program is this: Four committees were created dealing with different problems. Committee No. 1 is working out a long-time program for training junior apprentices. Committee No. 2 has established short-time courses for workers whose skills have become obsolete. Committee No. 3 has launched an experiment to regularize the city's casual labor. Committee No. 4 has begun the rehabilitation of the so-called unemployables and made plans for the more adequate care of those who cannot be rehabilitated. In 2 years' time Cincinnati reduced its unemployed from 30,000 to 6,000. It cut off many chiselers. Time does not permit me to go into all the details but I urge upon the mayor or city manager who is interested in this program to write Colonel Sherrill and get their pamphlet on the subject.

LOCAL AUTHORITY

I believe that we could get better results, get more for our money, if we gave the local governments more authority in the expenditure of these funds. I believe the local mayors or city managers know their local problems better than some Federal agent who comes from another section of the United States. I believe too that some contribution on the part of the local government would bring closer cooperation, more careful scrutiny of expenditures, and hence better results, both for the taxpayer and the unemployed. This local contribution need not be large. It could be the amount that the local communities are now spending on their relief problem. For the smaller cities, say up to 50,000 inhabitants, 5 percent would be ample. For cities of more than 50,000, there could be an increase of say 2.5 percent. The committee would know what amount would be fair and reasonable. It should not be so high that it would be burdensome to the local community, but it should be high enough that the local community would jealously guard the expenditure of every dollar.

THE SMALL-BUSINESS MAN

The district which I represent has no so-called big business. Our industries are nearly all of the type that may be classed as small business. These businesses started from very small beginnings through the initiative, industry, and ability of the boss himself. Many of these businesses are now in difficult financial straits and if they are permitted to go to the wall, it means a serious misfortune to the community in which they are located. They employ our labor and furnish a market for our farmers. There has been much publicity about the Reconstruction Finance Corporation aiding small business, but the facts of the matter are that only \$20,400,000 has been loaned to the small-business man since the release of these funds was authorized 2½ months ago. Three times this amount is asked for in pending petitions to the Reconstruction Finance Corporation. The trouble with this entire problem is that when the small-business man comes for a loan and shows his situation and set-up, the Reconstruction Finance Corporation asks him why he does not apply to his local bank. His reply, of course, is that the local bank will not loan him the money. Whereupon, the Reconstruction Finance Corporation replies, that inasmuch as the local bank will not loan him the money he must be a poor financial risk, and therefore it refuses to let him have the money. I have had complaints both in person and in writing by those representing small businesses, stating that even though they may be able to furnish collateral worth three, four, and sometimes five times the amount of the loan, nevertheless they could not get the loan. I believe that we could do a lot of good by building from the bottom up instead of merely giving loans to the large concerns and permitting those benefits to trickle down to the small-business man.

UNJUST DISCRIMINATIONS

There is another field relating to the small-business man which deserves attention. Under this unemployment-relief bill, a new impetus will be given to the construction program throughout the country. Many communities, large and small, will have new buildings erected as a result of this program. If the material and supplies going into these constructions were purchased of the local businessman by the Government it would help him stand on his feet. It would give him a chance to make a living and to pay his employees good wages. It would stimulate the business of the little fellow and keep the money so expended in the local community. Unfortunately, that is not the method pursued by the Government. Under the present system, bids are requested from the large cement companies, lumber companies, hardware companies, and so forth, on vast quantities of goods. As a result, the big companies in the big cities get those contracts and the little fellow back home who is dependent on the business in his local community for his very existence, finds the Government taking it away from

him and giving it to big business many miles away. This is unfair and unjust and many Congressmen, including myself, have protested against it. So far our protests have fallen on deaf ears, but I still feel that it is a short-sighted program which takes the business from the little fellow away from the local community and puts it in the hands of big business located in the large metropolitan areas. I believe some provision should be placed in this bill to prevent a continuance of this false policy.

CHILD LABOR

Child labor is a real problem in the United States, and the sooner we put an end to it the better, not only for the children themselves but for the future of the communities in which they are employed. There were 667,118 child workers 10 to 15 years of age, inclusive, in the United States in 1930, according to census figures. During the depression the total amount of child labor decreased but the number of children working in certain undesirable occupations, or under sweatshop conditions, increased.

In 1933, under the N. R. A. codes, 16 years was set as the minimum age for industrial employment; in certain dangerous occupations the age limit was 18. As a result child workers under 16 virtually disappeared from industry and commerce. In 1935 the codes were declared invalid and there was a prompt increase in the number of children leaving school for work in areas reporting to the Children's Bureau. This information is taken from a leaflet entitled "Child Labor," issued by the United States Department of Labor.

Before Congress submitted the child-labor amendment to the States in 1924 it had enacted two Federal child-labor laws, each of which in turn had been declared unconstitutional by the Supreme Court. Both of these early laws set 14 as the minimum age for employment in factories, mills, canneries, and workshops, with an 8-hour day, 48-hour and 6-day week, and prohibition of night work for children between 14 and 16; and 16 as the minimum age for children in mines and quarries. The child-labor amendment is not a law, but an enabling act giving Congress power to pass Federal child-labor legislation. The amendment has been ratified by 28 States. When 36 States have ratified it the child-labor amendment will be a part of the Federal Constitution and it will be possible to establish national minimum standards for child employment on a permanent basis. The following States have not ratified the child-labor amendment: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, New York, North Carolina, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, and Virginia.

And no one can foretell when they will do so, which may be a matter of years.

In order to force these States to take prompt action on the subject I propose that only States that have ratified the child-labor amendment shall be eligible for funds appropriated by this act. This will force every State that is now employing child labor to adopt this amendment or else receive no moneys appropriated for unemployment relief. I am satisfied that none of the States will wish to forego their chance to share in and participate in the benefits of this act, and therefore we may expect prompt action by these 20 States in order to get a chance to receive Federal aid. I trust that this amendment will be adopted.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FLETCHER. Will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Ohio.

Mr. FLETCHER. I am interested in what the gentleman said about Cincinnati, and he has stated the facts. He spoke about the way it is distributed now, making it possible for the local politicians to use these funds politically. Then the gentleman followed up with a statement that it should be allocated to the city managers, or the local officials of the community. In a case where the mayor is running for Congress against the sitting Congressman and is using every

appeal he can make to the people on relief, giving away salaries and all that sort of thing, does the gentleman think he would resist the temptation to take advantage of the facilities offered by his suggestion to cash in in order to defeat the present incumbent in Congress?

Mr. SAUTHOFF. No; I do not think he would. I think he would do what everybody else is liable to do. That is human nature. But I say if your community has to chip in 10 percent of the amount spent in that community, he is not going to get away with what they are doing in Pennsylvania with the W. P. A. workers, lining them up by the thousands in order to get in on a political State-wide campaign.

Mr. FLETCHER. I am sure the gentleman does not mean to imply that Pennsylvania is going to get away with it.

Mr. SAUTHOFF. I hope not. I will join the gentleman in any investigation he is in favor of holding in reference to that situation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, looking over the Chamber, I wonder if it would not be just as well to wait until after the House adjourns. It seems to be my luck to get time to speak at a late hour.

Mr. FLETCHER. Does the gentleman reflect upon his ardent listeners as having little more capacity than an empty Chamber?

Mr. BUCKLER of Minnesota. I did not mean any reflection on the intelligence of the few Members that are here. I had in mind that the Chamber was so nearly empty I might wait until they adjourn and then I would have had plenty of time to deliver my speech. From the experience I have had here before in trying to convince this Congress of the things they should do, perhaps it would be just as well to talk to an empty Chamber.

Mr. HOFFMAN. Will the gentleman yield?

Mr. BUCKLER of Minnesota. No; I cannot give up all my time, so I decline to yield.

Mr. CHURCH. Would the gentleman like to have a quorum called?

Mr. BUCKLER of Minnesota. No; thank you. It is too late in the day. The House is ready to adjourn, so I will try to get along with what few are here.

We have before us today a bill to help the unemployed who have no opportunity to earn a living except by the passage of this legislation.

I want to say at the outset I expect to vote for this recovery and relief program, and will continue to do so so long as we have people unemployed and hungry, but I would like to call your attention to speeches I made on the floor of this House when you passed the relief bill in 1935. I told you at that time unless you give the farmers decent prices for what they produce and take over the Federal Reserve bank and control of money and credit of this Nation, when you spent the \$4,800,000,000, you would be back asking for more. Now you are here.

You can buy the Federal Reserve bank stock for \$140,000,000. Then you will have control of the Federal Reserve bank, and you can use part of that \$11,000,000,000 in gold to finance this relief problem and do your own banking instead of borrowing the money from Wall Street.

On February 16, 1937, soon after the Federal Reserve bank raised the reserves in the banks of the Nation, I stood on this floor and warned you that you were headed into another panic. I called your attention to the panic we had in 1920 and 1929. I will quote a few lines from my speech made at that time:

Now you have frozen the assets of the country's banks and you are headed for another panic, the same as we had in 1929.

I made the remark at that time that I could just as well try to wake up Rip Van Winkle and talk to him as talk to the majority of this Congress on the money question.

Anybody should know if you take the money and credit out of circulation you would have a panic. It is amusing to see how many Congressmen get on this floor and try to find excuses for the panic, some saying it is fear. In other words, manufacturers are afraid to produce and sell.

The manufacturer would sell if he had a market. When farm prices started to go down last fall, naturally the farmers stopped buying. Then the manufacturers started to lay off their help, and, of course, that practically stopped buying. So it is a kind of perpetual motion.

The Federal Reserve was the cause of this panic when they raised the reserve requirements and sterilized a billion and a quarter of gold. You have no other choice except to pass this bill, but this is the price you pay for raising the bank reserves and sterilizing the gold.

Some time ago we passed the agricultural bill. I voted for the bill. It is not what we should have or what we must have. However, I think it is better than nothing, but not the solution to the farm problem. The only solution that I see for the farmers of this Nation is cost of production for the part that is consumed in the United States. While the prices at the present time are better than they were in 1932 and 1933, they are not high enough to compete with the things the farmer has to buy.

On most of the things a farmer has to buy a price is set and controlled by big corporations and trusts. In most cases prices were doubled in comparison to what they were back in 1914, and in some instances machinery was tripled. The grain gambler sets the farmers' price, regardless of what it costs the farmers to produce. Everything the farmer buys he buys at a fixed price. The manufacturer, jobber, and retailer add cost of labor, interest, and taxes, which they pass on to the farmer in the proportion that he buys the manufactured goods. The farmer has no way of passing his interest and taxes because he is the last man in the line.

What other part of society could exist under such an arrangement? The only way that the farmers—what few are left—have been able to compete with that kind of an arrangement is by working their wives and children long hours and denying themselves the comforts of life that they should be entitled to. The farmer's wife is not much more than a slave. It is a crime and a disgrace to think the farmers can do business with the grain gambler setting his price.

My district produces as much, if not more, wealth than any district in the United States but by the time the farmers pay those fixed charges, they have nothing left. If you give the farmer a price, you will have a market right here in the United States for about all the manufacturers can produce.

I might mention some of the disadvantages in fixed charges. Wall Street is something like a big octopus with its arms reaching out in all directions in the United States. The Wall Street bankers, with their influence over the Federal Reserve Bank Board, control the money and credit of the Nation to which we all pay tribute through interest charges. They practically own or control the railroads of the United States on which the farmers pay high freight rates. They own the large insurance companies who loan money to the farmers at a high rate of interest. They own the telephone and telegraph system. They own and control the big power and light interests of the Nation. They own the chain stores which take the money out of the towns and cities in the agricultural districts and deposit it in the New York banks. They operate the New York Stock Exchange that fleeces the professional men ever so often by selling stocks and bonds at a high price and then manipulating the market until the prices go down. By the time these leeches get through with the agricultural districts, there is nothing left.

I have just about come to the conclusion that the branch of the Agricultural Department which gathers the statistics that they report out every month on what the farmer has produced and what he is expected to produce is a detriment to the farmer instead of a benefit. About the only persons it benefits are the grain gamblers and the meat packers.

Last fall in September wheat in my district was worth \$1.15 and \$1.20. In October the Department found 85 million bushels more of wheat than they claimed to have in September. They have been turning out circulars every month since as to what the farmers intended to raise in 1938. Every time they send out a report, prices go lower.

The same thing happened to lambs. In October lambs were worth 10 cents a pound in South St. Paul and the Government came out with a bulletin saying there were more lambs on feed than there were last year. Naturally if the Government told the packers there were more lambs, they would start to buy them cheaper. In December the lambs were worth 8 cents a pound in St. Paul.

They have got so they can estimate the pigs and tell how many hogs one is going to have next year before the sows were bred. I think the farmer would be better off if they would stop sending out these reports.

In my district we produce wheat, corn, barley, oats, and flax. We produce the best seed potatoes grown in the United States. Sweetclover and alfalfa grow wild. We do not even have to inoculate to get it to grow. We have a sugar-beet factory in my district and their sugar beets have the largest sugar content of any place in the United States. We have quite a bit of corn for feed. We also have a large number of dairy cattle, sheep, and hogs. And that is not all we produce.

In most every home you will find sturdy young men and women who would like to farm but they have watched their fathers and mothers slave away their lives and in a good many cases end up in the poorhouse and so now they hesitate before they start farming.

In my district we do not have plutocrats, economic royalists, or sons of the idle rich. If agricultural districts keep on producing wealth and sending it into Wall Street, scientists will not have to draw on their imagination so very much to see sometime in the future the offspring of these idle rich in the trees looking for coconuts. [Applause.]

I have spoken to you about the wealth that my district has produced. I would like to describe it so you will know what a wonderful country I represent. The district averages about 300 miles northwest of Minneapolis and St. Paul, known as the Red River Valley. It is one of the richest valleys in the United States. It consists of 15 counties, 10 or 11 counties are a vast prairie country with small rivers and streams running through it with hardwood timber on the banks, such as oak and elm. This is the home of No. 1 hard spring wheat. The other four or five counties are partly timbered section, filled with fine lakes. As you know, Minnesota has 10,000 lakes and one of my counties alone has 400 lakes. We have some of the finest summer resorts and fishing of any place in the United States. In fact, the fish are so thick they have been known to jump in your boat and take the worms. [Applause.]

It is one of the most healthful countries in the United States. People come from all over to get away from hay fever and malaria. In fact, it is so healthy that very few people ever die except from old age. It is no place for an undertaker. I know you Congressmen would like to live to be old, so I invite you to come up to Minnesota. [Applause.]

Now times have changed. About 100 years ago this great prairie was roamed by buffalo and Indian. Some 60 years ago the white people took it away from the Indians and now Wall Street has taken it away from the farmers.

Just 34 years ago when I went to Minnesota everybody belonged to the Republican Party. But now most of the people have joined the Farmer-Labor Party. There are some who think the Republican Party is on its way out the same as the buffalo. [Laughter.]

I want to cite you a little incident to show you how disgusted Republicans in my district were back in 1932 and 1933. I was going through the country one day and saw a farmer who had his sheep in the pen. He had hold of the sheep's tail and was trying to shear him. Of course, the sheep was running all over the lot. I stopped and said, "My friend, that is no way to hold a sheep to shear him."

"I know," he said, "but I have been voting the Republican ticket and wool got so damn cheap, I couldn't look him in the face and take his wool." [Laughter and applause.] Of course, wool at that time was worth 7 cents a pound.

This spring our Republican friends have begun to wake up a little and the old elephant is beginning to show a little life. They are throwing the hay into the old boy, but I do not believe he will come back, at least this year. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BUCKLER of Minnesota. Before I close I would like to call your attention to the fact that the Federal Reserve Board made a statement that the reason for raising the reserves in the banks was to stop the New York Stock Exchange prices from going higher and giving that for the reason they were taking the money out of circulation. You cannot regulate the prosperity of 130,000,000 people by a few gamblers on the New York Stock Exchange. Not only the people but the independent bankers of the Nation would be much better off if the Government had control of the Federal Reserve Banking System.

A few days ago we passed a bill to make it much easier to catch a few Negroes selling lottery tickets, but you let a bunch of gamblers and racketeers carry on their rackets and fleece the citizens of the Nation. You might say at least some of them are thieves. In fact, you caught two or three of them a while back and they are now serving time in the penitentiary. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, title II of the bill now under consideration carries an appropriation of \$965,000,000 for public-works projects, and under that title in section 201 (a), subdivision (1), we have a provision that the funds so appropriated may be used for "making of allotments to finance Federal projects." Further on in the bill, in section 201, subdivision (1) (c), there is the further limitation upon the expenditure of funds for Federal projects, which reads as follows:

Under subsection (a) (1) of this section not to exceed \$100,000,000 shall be allotted to Federal agencies for Federal construction projects in continental United States outside the District of Columbia, and such projects shall be selected from among the following classes—

And then the classes are given.

The matter to which I wish to invite the attention of the committee is the language used in this section, and this is the only place it is used in the bill so far as I have been able to discover, limiting the expenditure of the \$100,000,000 carried in that subsection to the continental United States.

I suppose that during my first year in this body I spent at least half of my time in seeking to have general legislation corrected so as not to discriminate against the citizenship of the Territories. For example, when the bill to guarantee bank deposits by Congress was passed, the Territories were not at first included, and before my time, when the first Reconstruction Finance Corporation bill was passed, Territories were not included. The Home Owners' Loan Act, as the bill was introduced, did not cover the Territories. And the same is true of the Emergency Banking Relief Act of 1933, and others. So it has been necessary on the floor of the House or in the Senate or in one of the committees to seek to have the language of these general bills changed so as to include the Territories, and sometimes it has not been easy.

Mr. WOODRUM. Mr. Chairman, would the gentleman care to yield?

Mr. DIMOND. Yes, surely.

Mr. WOODRUM. Of course the gentleman understands that the present bill is designed to reach the unemployment situation.

Mr. DIMOND. Surely.

Mr. WOODRUM. What is the situation in the Territory with reference to unemployment?

Mr. DIMOND. The situation at the present moment is a very unhappy one. What it will be 3 months from now I cannot say. We hope it will be much better, but we are in a very perilous position with reference to the salmon-packing industry on account of jurisdictional disputes between A. F. of L. and C. I. O. workmen, and because of those disputes it may be that no salmon will be packed in Alaska this summer. In that event we may have in the coastal regions of Alaska a worse condition than any that exists in many places in the United States.

Mr. WOODRUM. Does the Works Progress Administration have any operations in the Territory now?

Mr. DIMOND. Very small operations at the present time.

Mr. Chairman, since the gentleman has been good enough to ask me about this situation, I do not know whether the striking out of the limiting language, "continental United States", will correct the situation according to my desire. If the words "continental United States" were stricken I do not know how much money Alaska would receive under the provisions of that paragraph, if any, but we ought not in the law be set apart from the rest of the United States.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. TABER. Does not the gentleman regard Alaska as being within continental United States?

Mr. DIMOND. I did when I first came here, and then I found out that every department of the Government has uniformly construed the term "continental United States" as excluding the Territories. There is no judicial decision on the question that I have been able to discover, and I have made a pretty careful search.

Now, it is true that the Territories and possessions are embraced within the benefits granted in other sections of the bill. I have read with eager interest the provision of the bill about the leasing of property built with Federal funds, as well as the provision which evidently is designed to avoid the bar which might otherwise exist of constitutional limitations upon the indebtedness of any State or Territory. But I am wondering just how far we in the Territories can safely rely upon those provisions of the bill to secure a proper and adequate share in the appropriations carried in this measure.

It seems to me probable, Mr. Chairman, that the paragraph of limitations upon Federal construction projects, a portion of which I read a few minutes ago, is designed in part to take care of meritorious projects upon the public lands in the great public-lands States, and thus is avoided the necessity for State or municipal contribution with respect to large projects situated in one or more of the States where the proportion of the public lands is so great as to make it all but impossible for the States, or for any of their municipalities, to share the expense of construction. If my surmise is correct, then by all means, the Territory of Alaska should not be excluded from this particular part of the bill, for Alaska embraces a much larger area of public domain than does any State. In fact, more than 99 percent of the entire area of Alaska, 589,000 square miles, is still in the public domain.

But whatever may have been the motive of the Appropriations Committee in thus limiting to the continental United States the funds to be spent for Federal construction projects, I suggest to you that the underlying theory is wrong. American citizens are not divided into two classes, those who reside in the States, and those who reside in the Territories and possessions. One of the causes of the Revolutionary War was the legislative and administrative discrimination against the Thirteen Colonies and the citizens thereof manifested by the Government of Great Britain. The Territories of the United States are not colonies, they are States in embryo. It will probably not be many years before both of the Territories will be erected into States. The citizens of the Territories enjoy the full protection of the Constitution of the United States, and they take much pride in their status as citizens. While not unduly sensitive to slights, they do resent discrimination against them.

whether legislative or administrative. It is better, much better, that the Congress should be solicitous at all times and under all circumstances to treat them as a part of the general body of the citizenry of the Nation. Such treatment and such treatment only is in harmony with the sense of justice and the dignity of Congress. Is it conceivable that right principle may be surrendered just in order to possibly deprive the Territories and possessions of a few dollars which they might otherwise receive for public works in order to spend those few dollars in one or more of the States? Surely, to ask that question is to answer it. No member would wish money for some project in the State which he represents on those terms.

No more persuasive reason can be advanced for excluding the Territories and possessions from the benefits of Federal construction projects than can be advanced for excluding, shall we say, the New England States, or the Middle Atlantic States, or the Pacific Coast States. It is entirely possible that in some group of the States of the Union there may be no occasion for undertaking Federal construction projects, but if so, that is a matter to be taken care of in the administration of the act and not by an express exception or exclusion of the States from the terms of the law itself.

I am not here making any demand for the appropriation or the allotment of funds for Alaska or for the Territories and possessions generally. I am appealing to you now for something much more important, for fair play and equality and justice under the law.

[Here the gavel fell.]

The CHAIRMAN. The time of the Delegate from Alaska has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. DIMOND. Mr. Chairman, the point I make is that the people of Alaska are just as much citizens as the people who live in the several States, and there is not a single solitary reason that can be advanced why they should be discriminated against in general Federal legislation or be barred by law from possible benefits, whether they come through the P. W. A. or the W. P. A. or some other type of legislation.

I appeal to the committee to voluntarily cut this offensive language out of the bill. It is a blot on the bill, it is a discrimination against good and loyal citizens. There is no reason for it, because, after all, when \$100,000,000 carried under subsection (c) is allotted, the administrative officers will take good care that not an undue proportion is given to Alaska or to Hawaii, or to any of the possessions of the United States. There is no justification that can be advanced by anybody for making such a discrimination. I know if I should offer an amendment tomorrow, and the committee does not agree to it, it would be a futile action, and I do not want to uselessly take up the time of the committee in that way. I appeal to the committee, of its own motion, to eliminate the restrictive language and treat all citizens alike. We in the Territories are not going to get any of the best of it if you do that; but for Heaven's sake let us start out for once and for all with the same kind of treatment that you are giving to the other citizens of the United States in a piece of general legislation. [Applause.]

The CHAIRMAN. The time of the Delegate from Alaska has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I notice that some members of the Appropriations Committee are present on the floor this afternoon, otherwise I would not at this late hour take up the time of the Committee to discuss the point I want to make with reference to the first section of the bill. I call the attention of the members of the Committee on Appropriations particularly to the language beginning on top of page 3, which is a part of the section that specifies the type of projects that might be carried out. The language I refer to reads as follows:

Projects for the production of materials for fertilizing soil for distribution to needy farmers under such conditions as may be determined by the sponsors of such products under provisions of State law.

Earlier in the afternoon the distinguished gentleman from Virginia [Mr. WOODRUM], in reply to a question propounded by me, stated that this language was intended to permit the continuation of the so-called marl and lime products that have been carried on so successfully in many of the rural sections of the country. For a long time these lime and marl projects were carried on, but all of a sudden they were stopped as the result of some difficulty with some department heads, some ruling of some kind; but the purpose of this language is to permit the continuation of those liming projects; and I submit to the membership of the House that these liming projects have been most beneficial in the preservation of soil and in the building up of soil. They really have been of tremendous benefit to the farmers of the country. I am perfectly satisfied with the language that has just been read, with the exception of the word "needy," which provides that this lime or other fertilizer can be distributed only to needy farmers. I call attention to the fact that it is only W. P. A. labor that is used. No other funds are used in preparing this lime.

Mr. WOODRUM. I wonder if the gentleman is speaking from his impression or from the fact. My understanding is that that is not true; that the only reason for inserting the word "needy" in the bill is because they did not employ W. P. A. labor; that the sponsors dictated the terms of these projects, and they did not employ relief labor; they did not confine it to that. I would like to have the gentleman verify that.

Mr. BOILEAU. My understanding of the matter is that all of these liming projects in Wisconsin have been W. P. A. labor. That is what we have been thinking of these last few years—to have these W. P. A. projects working in the country. Those who sponsored the project could have been county agents, and they will provide the machinery for grinding the lime and the trucks for hauling the lime out to the farms, and all we ask is that W. P. A. labor be employed so that this lime can be distributed to the farmers at a minimum cost, the charge being only high enough to pay for the cost of the machinery employed and the transportation of the lime in the event the farmer does not haul his own lime. I am quite certain about that, but before this matter comes up under the 5-minute rule I shall satisfy myself. I am confident that I am correct in the matter, but I shall verify it.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. WADSWORTH. I am interested in what the gentleman says about liming projects. Will the gentleman state whether it is the custom in Wisconsin for the authorities who supply the trucks, for example, to spread the lime on the soil?

Mr. BOILEAU. No; they dump it on the farmer's land and the farmer spreads it himself. I do not know of any W. P. A. labor being used to spread the lime.

Mr. WADSWORTH. Can the gentleman tell us the average cost per ton of that lime?

Mr. BOILEAU. I regret that I am unable to give the gentleman that figure, but it is a nominal cost, because the labor is W. P. A. labor.

We maintain that if there is a justification for these programs such as specified in this provision the word "needy" should be stricken out so that it would be made available to all the farmers in that community. If you restrict it only to needy families, it means that you will not have this liming program, you will not have this fertilization program. The gentleman from New York smiles. He suggests to my mind that perhaps under a proper interpretation of the provision all farmers might be classified as needy.

Mr. WADSWORTH. If the gentleman from Minnesota will yield, the gentleman from New York was going to say that it might be more logical if we provide for the distribution of this lime to needy soil.

Mr. BOILEAU. That is very fine. I appreciate that suggestion. That is the purpose—to fertilize needy soil. If you restrict it only to needy farmers, you either are not going

to have enough needy farmers or you are going to make the cost prohibitive. In a community of 100 farmers, 25 might be classified as needy by the person who makes that decision. I do not know how anybody is going to know just where to draw the line. As I say, if you go on this basis, the result will be that your liming program will be spread over such a large area one small crusher will have to serve such a large territory that the cost of transportation will be prohibitive. I suggest that the word "needy" should be stricken out. I can give you several reasons why it should be stricken out. In the cities of the country you do not build schoolhouses for needy children—no; you build them for all the children. You do not build recreational facilities for needy people; all the people use the recreational facilities. Your sewers are not constructed for needy people; they are constructed for all the people. And so with your waterworks and other projects listed in this section. They are made available to the entire community, without respect to its being for the poor or the needy only. When you have a rural project, why should you say that it must be for the needy? Oh, it has been suggested that somebody might benefit from this expenditure of Government money; that when you give them this lime free or at only the cost of crushing and transportation that you are improving the value of the farmer's soil with public funds. That is true; but if you build a schoolhouse in your home town, you are improving the value of each and every piece of property in the town. If you happen to live in near proximity to a place where some of these public improvements, parks, schoolhouses, or any other project, waterworks, sewers, or other public improvement has been constructed, the value of your property has increased; you have received a benefit from public expenditures. Whenever the Federal Government comes in and builds a park, constructs a school building, or other public improvement in your town, it means that each and every taxpayer in the community pays less taxes than he would have to pay if the locality had built it. So in the case of every single one of these projects, you are increasing the value of the property affected or you are giving real dollar value or benefit to every person living in the community. His taxes are reduced by having the Federal Government contribute these works.

If this is fair, if this is just, it seems to me that these liming projects are exactly upon the same footing and that you ought to have liming projects that would be beneficial to all of the community, without regard to the need of the individual who receives this lime; and I submit to the Members of the House, and particularly to the members of the committee, that if you leave the word "needy" in this paragraph you might just as well strike out the whole provision, because you will not be able to have a liming project that will service only the community unless you do so at prohibitive cost, because one of these lime crushers is located in a community and serves a large area. If, however, you provide that only needy people be served, it means that the area must be increased, expanded, extended, so that you could not afford to put that equipment in there and add to that the cost of transporting this lime to these needy farmers. It seems to me you are discriminating against the farmers by insisting upon the retention of the word "needy."

As I understand it, this language was taken verbatim from the language inserted by the Senate in the deficiency appropriation bill, which we passed during the present session.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BOILEAU. Mr. Chairman, over in the Senate they put this amendment in the deficiency appropriation bill, which was stricken out in conference, but the language is the same with the exception of the fact that the appropriation committee inserted the word "needy." I want to appeal to the membership of the committee to reconsider this matter and I feel certain if they do reconsider the matter they will come to the conclusion there is no justification for retaining the word "needy" and will approve of an amendment

I propose to offer which will put the farmers on exactly the same basis as everyone else. If you insist on retaining the word "needy" in this provision, then you must in all justice, and if you want to be consistent, provide that these sewers shall be provided for needy people, that schoolhouses are provided for needy people, and highways for needy people, and all the way down the line. There is no justification for this exception in the case of farmers. These lime and marl projects have been the most successful projects carried on in my State. I do not know how many other States have had them, but they have proven successful in Wisconsin. They have given jobs to the people in the villages and cities of the farm areas. These men go out from the cities and villages and work on these lime projects. It provides employment and every single dollar of the amount goes into employment, because the local sponsors of the project furnish the trucks, crushers, and so forth. It does splendid work so far as fertility of the soil is concerned. It helps the farmers. After having seen these projects in operation in my State, I can say that there is not a single lime or marl project in the State of Wisconsin that has been adversely criticized by anybody, because it is recognized they have been doing a splendid job economically, giving the maximum of employment, and at the same time creating a permanent wealth and increasing the wealth of the community among those people who have been permitted to receive the benefits thereof.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for Public Works projects, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate further insists upon its amendments to the bill (H. R. 7084) entitled "An act to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes," disagreed to by the House; agrees to the further conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. HITCHCOCK, and Mr. BRIDGES to be the conferees on the part of the Senate.

REVENUE BILL, 1938

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the conference report and statement on the revenue bill (H. R. 9682) are presented on tomorrow (Wednesday) it will be in order to proceed immediately to the consideration of the report, after the reading of the statement in lieu of the report, and that the requirement that the report and statement be printed in the RECORD prior to consideration be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. JONES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3949) to amend the Agricultural Adjustment Act of 1938.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting, immediately after "Secretary" and before the colon, the

following: "and for the crop year 1938 any part of the acreage allotted to individual farms in the State which it is determined, in accordance with regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made, shall be deducted from the allotments to such farms and may be apportioned, in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in the immediately preceding year: *Provided*, That any such transfer of allotment for 1938 shall not affect apportionment for any subsequent year."

Sec. 2. Section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) In the case of flue-cured tobacco, including dark fire-cured and dark air-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State, in addition to the State poundage allotment, a poundage not in excess of 2 percent of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under the Agricultural Adjustment Act of 1938, as amended, which the Secretary determines are inadequate.

"(g) Nothing in the Agricultural Adjustment Act of 1938, as amended, and/or the Soil Conservation and Domestic Allotment Act, as amended, shall be construed to authorize the Secretary to limit the poundage allotment made to farms under the Agricultural Adjustment Act of 1938, as amended, to tobacco produced upon the acreage allotted to such farms, but each producer of such tobacco shall be permitted to plant such acreage as will produce his poundage allotment, any excess production to be subject to other applicable provisions of the Agricultural Adjustment Act of 1938, as amended."

Sec. 3. In carrying out the provisions of the Third Deficiency Appropriation Act, fiscal year 1937, and section 381 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to cotton price adjustment payments with respect to the 1937 cotton crop, in order to accelerate such payments the Secretary shall, notwithstanding said provisions, (1) treat all cotton not sold prior to September 10, 1937, as if it had been sold on a date when the average price of $\frac{3}{4}$ -inch Middling cotton on the 10 designated spot cotton markets was less than 9 cents per pound; (2) make payment on the basis of applications on forms prescribed by the Secretary which have been filed prior to July 16, 1938, as prescribed in regulations issued by him, by the producers, or the 1937 operator, or other person designated pursuant to such regulations, on behalf of all the producers on the farm in 1937; (3) make payment to producers upon the producer's certification that he is engaged in producing cotton in 1938 and has complied with the requirements as defined in said section 381 (a), or is not engaged in producing cotton in 1938, and upon his agreeing therein to refund the payment forthwith upon demand in case it is subsequently found that he has failed to comply with the requirements as defined herein and in said section 381 (a); and (4) make payments, as soon as practicable, on the basis of his estimate of the amounts which will be covered by the applications to be filed prior to July 16, 1938, and of the funds to be used out of the appropriation for the necessary administrative expenses of making the cotton price adjustment payments.

Mr. SNELL. Mr. Speaker, may I ask a question or two about the bill? What are you doing in this bill?

Mr. JONES. The bill does two things. First, in reference to the cotton acreage and changing the amount of the cotton allotment, there are in certain counties, especially where changes are being made in production, certain allotments that the farmers do not want. This simply releases the unused portion or the unwanted portion and turns it back to the State allotment.

Mr. SNELL. It does not change any of the general allotments?

Mr. JONES. No; but it does change the second provision. It adds 2 percent to the tobacco allotment to iron out inequities under each State allotment in the case of two different types of tobacco, the dark fire-cured tobacco and the burley tobacco. The purpose of that is to take care of the same situation in some of the States that have been more recently in tobacco production. Those are the only two changes.

Mr. ANDRESEN of Minnesota. Can the gentleman inform us as to the number of additional acres that will be allocated to tobacco production?

Mr. JONES. I am sorry; I do not have the exact production. Some of the gentlemen from the tobacco sections might be able to give it—it will not be a great amount. It will add some to the tobacco allotment in the case of these two types of tobacco.

Mr. RICH. What are you doing about the corn allotment? The farmers of Illinois and the Western States are objecting to this allotment.

Mr. JONES. I may say to the gentleman there are no marketing quotas so far as corn is concerned and will not be unless two-thirds of the farmers vote for an allotment.

Mr. RICH. If the Illinois farmers who are objecting to this plan do not agree to it, they will not have to have it?

Mr. JONES. They will not have any marketing quotas. The only thing that is involved there is soil-conservation payments and the basis for those soil-conservation payments. The question of whether there will be a marketing quota, if need arises, will be passed on by the farmers themselves.

Mr. RICH. How much of an army is it going to take to administer this Agricultural Adjustment Act as it is now written?

Mr. JONES. I do not think it is going to take anything like an army. As a matter of fact, it will not take anything like the number required in the previous program, because the local county and community committees operate as to all commodities instead of for separate ones, as heretofore.

Mr. RICH. Is it not a fact there are more people administering the Agriculture Department today than ever before in the history of the Nation?

Mr. JONES. I do not know the comparative number in the regular set-up, but I may say in reference to this particular thing that there are fewer in that set-up for this year than heretofore.

Mr. RICH. But the only thing as far as the Agricultural Adjustment Act is concerned is that you now have a regular army trying to administer that act.

Mr. JONES. It will take fewer to administer the act this year than it has taken for the previous agricultural acts. I do not know the number in the regular set-up.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. PACE. What would be the result if a farmer planted only a portion of his cotton acreage and released the remainder to the Secretary and then found at the time the check was made that he had miscalculated his planting and had exceeded the amount he thought he had? Would he not be a noncomplier and therefore suffer all the penalties of the act?

Mr. JONES. It is altogether probable that the question of compliance would be determined largely by the action of the local committee. I cannot conceive of a serious instance of that type arising. I understand they have a tolerance allowance for some little variation. Of course, if a man has planted an excessive amount he would simply be compelled to adjust if he met the terms of the requirement. I would judge that before a man released the acreage that had been allotted to him he certainly would want to have it definitely determined as to what he did have and what he had planted.

Mr. PACE. The gentlemen believes, then, that the use of the word "intentional" in the original act would cover such cases?

Mr. JONES. Oh, I think so.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: On page 3, line 7, insert a new section:

"Sec. 3. Section 323 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking '(1) The amount of corn used as silage, and.'"

Mr. ANDRESEN of Minnesota. Mr. Speaker, the purpose of this amendment is to correct some of the glaring inequities that have been put into effect with the allocation of corn acreage in the commercial-corn area in 12 States in the Middle West. My amendment proposes to eliminate from the provisions of the act all corn raised and used for feed as silage, so that the acres of corn that are planted for silage purposes will not be considered either in the marketing quota

or in the allocated acreage under the soil-conservation program.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from Michigan.

Mr. MICHENER. Will the gentleman include in his amendment all corn used for feeder cattle where the corn is cut and not husked? In my country one little town gets 200 carloads of cattle a year from the West. The corn is all fed. The corn is cut but not husked. Fodder and all is fed from the field throughout the winter.

Mr. ANDRESEN of Minnesota. I may say to the gentleman I would have no objection to his amendment where the corn is used for feed, but in this particular instance we have a good many sections of the country where they feed all the corn they produce to the livestock on the farm.

Mr. MICHENER. We do that.

Mr. ANDRESEN of Minnesota. In the dairy sections they feed their silage to the dairy cattle. They have no corn for sale. If the farmers follow the allocations of acreage for corn in the dairy sections as now laid down by the Secretary of Agriculture they will not have enough feed to take care of their livestock during the coming winter.

Mr. MICHENER. That is our situation exactly.

Mr. ANDRESEN of Minnesota. My amendment seeks to correct that inequity.

Mr. MICHENER. We have the silos, also.

Mr. JONES. I suppose I have misunderstood the gentleman. I had understood the gentleman would not offer this amendment and did not ask those who were interested in corn to be here. The gentleman will recall the other Members from the corn area opposed this amendment and we left it to the corn people. If the gentleman is going to insist on his amendment I believe I shall have to withdraw the request.

Mr. ANDRESEN of Minnesota. I may say to the gentleman I did agree with him yesterday, because I did not have the amendment prepared.

Mr. JONES. I say, it is probably my fault, as I had supposed the amendment would not be offered today.

Mr. ANDRESEN of Minnesota. I did not really know this was going to be brought up today until notice was sent me some time ago that the gentleman did intend to bring it up.

Mr. JONES. If the gentleman insists upon his amendment, I shall withdraw the request.

Mr. ANDRESEN of Minnesota. I should like to have a vote on my amendment.

Mr. JONES. I am willing for the gentleman to have a vote. As I have said repeatedly, I am willing to leave this matter to those who are interested in corn in large measure, but others representing corn areas did not seem to agree with the gentleman, as the gentleman knows.

Mr. ANDRESEN of Minnesota. I realize that.

Mr. JONES. I do not believe it would be fair to them to vote on it without their being here.

Mr. ANDRESEN of Minnesota. I believe I still have the floor. May I say to the gentleman I have no objection to letting the matter lie over until we can have a vote on my amendment, and leave the bill and the amendment pending until further disposition.

Mr. JONES. I would much prefer to do that, if it is agreeable all the way around.

Mr. ANDRESEN of Minnesota. That is satisfactory to me. I do not want to inconvenience the gentleman or anybody else.

Mr. JONES. I know the gentleman does not.

Mr. ANDRESEN of Minnesota. Will that be the understanding, that it will be called up later and the gentleman will notify me as to when it will be called up?

Mr. JONES. I would much rather withdraw the request and I will notify the gentleman before it is called up.

Mr. Speaker, I withdraw my request.

THE PRESIDENT'S ADVISORY COMMITTEE ON EDUCATION

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute with reference to a bill I have introduced at this session.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

STARTLING FACTS ABOUT OUR NATION'S SCHOOLS

Mr. FLETCHER. Mr. Speaker, the schools of America must remain forever free from undue Federal Government interference or Federal control.

But before proceeding with this speech today, permit me to correct an erroneous impression. Because of membership on the House Education Committee, the frequent addressing of the House on education legislation and because of having introduced several bills providing for better educational opportunity for our Nation's youth, some Members of Congress have mistakenly assumed that I am identified with the education profession which, of course, is not true. I never taught school.

WHY I AM INTERESTED IN EDUCATION

My interest in education legislation is not that of a professional educator in any sense of the word, but merely that of an ordinary, every-day, tax-paying layman whose life has been devoted to the hard-headed commercial-printing business and the newspaper-publishing business.

I am only a very ordinary businessman, not an educator, and I am speaking of education today as a straight-out business proposition.

In business we convert raw materials of low value into a finished product that has higher value.

In education we take the raw, human material, convert it into a more finished product which has greater value in the educated or improved state than in the raw, uneducated condition. It pays to learn.

IDEAS ARE WEALTH

I am now speaking of education as an investment that is certain to pay dividends both to the individual and to society.

I am interested in education because the human mind is the greatest natural resource in existence.

Without a developed human mind all the natural-resource wealth of the world would remain undeveloped, unusable, worthless.

I am interested in education because education pays individually, socially, morally, financially, spiritually.

Education is the greatest profit-producing industry on earth.

The future of America depends largely upon the education of the coming generation because America cannot rise above the level of what the people think and the people cannot think above the level of what they know.

Ideas are wealth and ideas evolve from minds trained to think.

A POLICY OLD AS THE HILLS

Participation of the Federal Government in education is not a new policy.

In fact it is a policy old as the hills. Almost from the earliest formation of our Republic the Federal Government has promoted education and to my knowledge there has never been any effort at interference or control of education. At least I have never heard of it and I don't want to hear of it because I am opposed to Federal interference with local school management.

All of the Presidents from George Washington on down until the present time have advocated Federal interest in education in recognition of the Federal Government's responsibility to help in educating the young people for the duties of citizenship.

No administration has even taken so great an interest in education or done so much for education as the present administration and that statement is verified by the actual record of facts, as everybody knows.

THE HARRISON-FLETCHER BILL

The bill which I introduced at the last session of Congress known as the Harrison-Fletcher bill and introduced in the Senate by Senator PAT HARRISON, of Mississippi, was so written as to leave school management to the local States and communities and in this regard no new policy was indicated.

Following the extensive House committee hearings on the Harrison-Fletcher bill, the President appointed an Advisory Committee on Education.

The findings and recommendations of the President's committee were reported to the Congress by the President at this session.

WE INVITE YOUR CRITICISM AND SUGGESTIONS

At this session I introduced in the House a substitute for the original bill. The substitute includes many of the suggestions and recommendations made by the President's Advisory Committee.

Because of the crowded session and the many phases of this new legislation that need to be considered with the greatest care it seemed practical to defer action until the next session of Congress, at which time I shall introduce a greatly improved bill that will more nearly conform to the many constructive suggestions that have been made of the bill introduced at this session.

Although I have devoted many years to this subject, I feel we should proceed very conservatively and give every phase of the legislation the most careful analysis and critical scrutiny.

VISITED SCHOOLS IN EVERY STATE

At my own expense I have personally investigated school conditions in a large number of communities in every one of the 48 States. See the December 1927 issue of the American Magazine.

From the material I secured from first-hand investigations of my own and from material secured from numerous other reliable sources I prepared an address on the subject, The Tragedy of Our Uneducated Millions.

Frequently I have presented these facts to audiences in all parts of the country in the hope of awakening the people to the disturbing truth about our Nation's schools which annually send out into life millions of young people inadequately equipped to meet the challenge of our changing times.

Young men and women whose educations are incomplete cannot compete. Today it is either learn or lose. Certainly it should be obvious to any thoughtful person that the chief hope of the average man in these modern days is in the improvement of his mind.

If you think there is no tragedy in our uneducated millions, then look at these startling facts.

STARTLING FACTS ABOUT OUR NATION'S SCHOOLS

In 1930 there were 810,000 children between the ages of 7 and 13 who were not going to school.

Most of these children were in the poorest rural areas—report of the Advisory Committee on Education, page 9.

There are approximately 10,000,000 youth of high-school age in the United States and about 6,500,000 of these are enrolled in high school.

There are about 3,500,000 not in high school; yet when young people apply for a job today the first question they are asked is "are you a high-school graduate?"

Under the present industrial, commercial, and agricultural conditions these uneducated youth are not needed in remunerative employment. Suitable educational opportunities must be provided. Wasteful ignorance is too costly to tolerate.

MORE THAN 2,000,000 WITHOUT ADEQUATE SCHOOLS

Engineers of the Public Works Administration conducted a survey revealing that there has been an increasing deficiency in public-school facilities in the United States since 1911.

That is, school population and school attendance increased faster than school buildings were constructed.

The deficiency amounted to more than \$1,000,000,000.

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It was found that there are about 2,700,000, or possibly 2,750,000, children without any school facilities whatever.

TRAGEDY OF THE HANDICAPPED

Some 2,500,000 children of school age in the United States are handicapped (blind, deaf, partially blind, hard of hearing, crippled, and so forth) in some way that necessitates facilities in addition to those provided for other children.

Not more than 325,000 of these children are receiving the attention necessary to make their education a success.

ALMOST A MILLION QUIT SCHOOL EACH YEAR

Most of the 900,000 young people who drop out of high school each year before graduating are in need of further educational service, and many of them would respond if suitable part-time programs of instruction were provided.

THOUSANDS IN SCHOOL ONLY A FEW DAYS

Numbers of children enrolled in schools that were in session various number of days (data available for only 31 States, 1933-34):

90 days or less.....	107,590
91 days to 110 days.....	148,012
111 days to 130 days.....	488,360

Total in schools that are in session approximately 6 months or less.....	743,962
131 days to 150 days.....	704,987

Total 7 months or less.....	1,448,949
151 days to 170 days.....	3,710,582
171 days to 190 days.....	9,882,164
191 days and over.....	609,622

Total for 31 States.....	15,651,317
(From Statistics of State School Systems, 1933-34, Bulletin, 1935, No. 2, U. S. Office of Education, p. 58.)	

MORE THAN 4,000,000 CANNOT READ OR WRITE

Illiteracy statistics for the United States, 1930:

		Percent
Total all classes.....	4,283,753	4.3
Native white of native parentage.....	986,469	1.8
Native white of foreign or mixed parentage.....	116,665	.6
Foreign-born white.....	1,304,084	9.9
Negro.....	1,513,892	16.3

These facts are taken from the Statistical Abstract of United States, 1937. An illiterate is defined as a person 10 years of age or over who cannot read or write in any language.

Percent of illiteracy by geographical divisions, 1930

	10 years of age and over	Voting age	
		Male	Female
United States.....	4.3	5.2	5.4
New England.....	3.7	3.9	2.7
Middle Atlantic.....	3.5	4.0	5.1
East North Central.....	2.1	2.7	2.8
West North Central.....	1.4	1.9	1.8
South Atlantic.....	3.3	10.9	9.5
East South Central.....	9.6	13.1	11.0
West South Central.....	7.2	8.7	
Mountain.....	4.2	4.5	2.6

From Statistical Abstract of United States, 1937.

HERE ARE SOME STARTLING FACTS ABOUT OUR SCHOOLS

Although definite information is available with respect to less than half the States and only about 90 cities over 30,000 in population in other States, it is definitely reported that:

First. 687,611 pupils are housed in school buildings which have been condemned as unsafe or unsanitary; many of them death traps.

Second. 618,068 are housed in portable, rented, or other temporary structures.

Third. 391,748 can attend school only part-time because of inadequate housing facilities.

Fourth. 2,301,220 are attending small schools which, in the judgment of chief State school officers, ought to be abandoned in favor of larger consolidated schools.

Estimating from these figures, additional building facilities for 2,700,000 pupils are required merely to replace condemned and temporary structures and to provide full-time accommodations for all pupils.

Likewise, about 16,000 consolidated schools ought to be established in the interest of some 5,000,000 rural children now attending poorly equipped, inefficient schools.

CIVIL WAR SCHOOL BUILDINGS

Less than 5 percent of the Nation's school buildings have been constructed since 1930. A third of them were constructed between 1870 and 1900, and about 7.6 percent of them date back to the Civil War period.

Reports from individual States indicate that many other building needs exist.

Buildings are carrying enrollments far in excess of their intended capacities.

Additions, alterations, repairs, and adequate sanitary facilities should receive immediate attention.

CONSTRUCTION LAGGED BEHIND NEED

Contrary to an opinion widely held, the period 1918 to 1930 was not one marked by wasteful and unnecessary school building construction.

Individual cases of mismanagement can be cited in this period or any other, but in the Nation as a whole, school building construction lagged behind actual needs.

The amount actually spent for school buildings since 1918 is approximately a billion dollars less than it would have been allowing an expenditure of \$400 for each pupil added to the school system and for one-fiftieth of each year's enrollment.

In the principal cities of the United States school building construction lagged behind that of other types from 1923 to 1930, the period of most liberal school expenditures.

DECLINE OF EXPENDITURE

The average annual expenditure per city began to decline in 1926, long before the depression was felt.

During the present crisis, thousands of school districts which lack sufficient resources for current operating expenses can do little to provide needed housing facilities.

Other communities, however, in which buildings can be erected without despoiling the budget for instructional purposes, should no longer neglect their building programs.

GOOD INVESTMENT

In addition, during the immediate future, while it is necessary for the Federal Government to give employment to men unable to find a place in industry, no better public-works project is available than the construction of needed school buildings.

Generous provisions for such projects should be made in whatever public-works program the Federal Government pursues.

BUILDINGS ENDANGER LIVES OF CHILDREN

In the Nation as a whole about 1,392,600 pupils occupy buildings that have been pronounced unsafe or insanitary.

This number is greater than the total school enrollment in large populous States such as California, Ohio, or Texas; it is equal to the entire population of Nebraska.

FACTS YOU SHOULD KNOW ABOUT RURAL SCHOOLS

In 1935-36 the average expenditure per pupil in average daily attendance in all public schools, urban and rural, was \$88.30.

The numbers of urban and rural children in average daily attendance were approximately equal, 11,406,380 urban and 10,892,387 rural.

The average expenditure per pupil in average daily attendance in urban schools was \$108.25, and in rural schools \$67.40.

Low expenditure levels in rural areas are reflected in poorly paid and relatively untrained teachers, reliance on stereotyped forms of textbook instruction with inadequate provision of supplementary books and other instructional materials, school terms averaging a month shorter than those in cities, and a general lack of the health, welfare, guidance, and other services in addition to instruction that are needed by children in schools.

FARMERS GET ONLY 9 PERCENT OF NATIONAL INCOME

The farm population not only has a disproportionately heavy educational load; it must carry the load on a per capita income markedly less than that of the nonfarm population.

In 1930 the farm population was responsible for the care and education of 31 percent of the children, but the farmers received only 9 percent of the national income.

About 20 percent of the children of school age in the United States live in States where with no more than average effort more than \$75 per child could be provided for education.

While another 20 percent live in States where not more than \$25 per child could be provided without more than average effort.

During the worst years of the depression, it was necessary to provide funds to keep schools open in many rural areas; Federal aid of this type amounted to a total of about \$22,000,000 during the fiscal years 1934 and 1935.

WEALTH GOES TO TOWN

Fundamentally, the differentials in opportunity that now exist are to a considerable extent due to a drainage of wealth from all parts of the country into the towns and cities and particularly into the great metropolitan areas.

One of the causes of the relative poverty of rural regions is the fact that, under present circumstances, future city people are fed and taught largely at the expense of the farmer.

The door of educational opportunity must be kept open for the children of the farmers of America.

As everybody knows, this administration has done more to build schools and help provide educational opportunity than any administration since the foundation of the Republic. But as the startling facts I have presented to you show, there yet remains much to be done if America is to be made secure and democracy be made safe for the world.

The tragedy of our uneducated millions must end because America must live.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all Members of the House who speak on the relief bill may have permission to revise and extend their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks made earlier in the day and to include certain brief schedules and tables taken from the report and from the hearings.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BINDERUP asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. DREW of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a table of the railways of the United States in the hands of receivers and trustees.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by placing therein a radio speech made by Federal Relief Administrator, Mr. Hopkins.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise the remarks I made this afternoon and insert certain tables that I prepared myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BATES. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and include therein tables

of expenditures by the P. W. A. and also by several States and also a tabulation of internal-revenue collections from several States.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PHILLIPS (at the request of Mr. SMITH of Connecticut), for 1 day, on account of important business.

The SPEAKER. Under special order the gentleman from Minnesota [Mr. KNUTSON] is entitled to be recognized for 5 minutes. The Chair does not see the gentleman present.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6652. An act to provide for the administration and maintenance of the Natchez Trace Parkway, in the States of Mississippi, Alabama, and Tennessee, by the Secretary of the Interior, and for other purposes; and

H. R. 9725. An act to liberalize the provisions of existing laws governing death compensation benefits for widows and children of World War veterans, and for other purposes.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House, under the order previously adopted, adjourned until tomorrow, Wednesday, May 11, 1938, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs Wednesday, May 11, 1938, at 10 a. m. for the continuation of consideration of H. R. 10433, to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 11, 1938, at 10:30 a. m., for the consideration of private bills and unfinished business. Room 445, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. LEA's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 11, 1938, for the continuation of a hearing on H. R. 9909, wool labeling.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, May 13, 1938. Business to be considered: Hearing on H. R. 4358, train dispatchers' bill.

There will be a meeting of Mr. SADOWSKI's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 18, 1938, for the consideration of H. R. 9739, to amend the Motor Carrier Act.

COMMITTEE ON THE JUDICIARY

There will be a hearing held before the Committee on the Judiciary Wednesday, May 18, 1938, and Thursday, May 19, 1938, on the resolutions proposing to amend the Constitution

of the United States to provide suffrage for the people of the District of Columbia. The hearing will be held in the caucus room of the House Office Building beginning at 10 a. m. on the days mentioned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1309. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher; to the Committee on Claims.

1310. A letter from the Chairman of the Securities Exchange Commission, transmitting a further part of the Commission's study and investigation of the work, activities, personnel, and functions of protective and reorganization committees; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. House Joint Resolution 679. Joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects; with amendment (Rept. No. 2317). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIES: Committee on Rules. House Resolution 282. Resolution providing for a special committee to investigate un-American propaganda; without amendment (Rept. No. 2319). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3595. An act to authorize the purchase and distribution of products of the fishing industry; without amendment (Rept. No. 2320). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9577. A bill to amend section 402 of the Merchant Marine Act, 1936, to further provide for the settlement of ocean mail contract claims; with amendment (Rept. No. 2321). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 10337. A bill to amend title VI of the Merchant Marine Act, 1936, and for other purposes; with amendment (Rept. No. 2322). Referred to the Committee of the Whole House on the state of the Union.

Mr. FORD of Mississippi: Committee on Foreign Affairs. S. J. Res. 289. Joint resolution to provide that the United States extend an invitation to the governments of the American republics, members of the Pan American Union, to hold the Eighth American Scientific Congress in the United States in 1940 on the occasion of the fiftieth anniversary of the founding of the Pan American Union; to invite these governments to participate in the proposed Congress; and to authorize an appropriation for the expenses thereof; without amendment (Rept. No. 2323). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM: Committee on Appropriations. H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938; without amendment (Rept. No. 2324). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERNARD: A bill (H. R. 10588) authorizing and directing the Secretary of the Treasury to execute an easement deed to the city of Duluth for park, recreational, and

public purposes covering certain federally owned lands; to the Committee on Public Buildings and Grounds.

By Mr. LUECKE of Michigan: A bill (H. R. 10589) to amend the Wisconsin Chippewa Jurisdictional Act of August 30, 1935 (49 Stat. 1049); to clarify the act, to make it more equitable, and to extend the time for filing; to the Committee on Indian Affairs.

Also, a bill (H. R. 10590) requiring 60 days' notice before discontinuance of any train carrying United States mails; to the Committee on the Post Office and Post Roads.

By Mr. ENGLEBRIGHT: A bill (H. R. 10591) to authorize the addition of certain lands to the Plumas National Forest, Calif.; to the Committee on the Public Lands.

By Mr. LUECKE of Michigan: A bill (H. R. 10592) to authorize the Secretary of Commerce to dispose of a certain lighthouse reservation in the State of Michigan; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBSEN: A bill (H. R. 10593) to grant the same benefits for 45 days' service as has been granted for 90 days' service to certain soldiers, sailors, and nurses (nurses enlisted for 90 days) of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes; to the Committee on Pensions.

By Mr. MAAS: A bill (H. R. 10594) to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve; to the Committee on Naval Affairs.

By Mr. HOFFMAN: Resolution (H. Res. 496) to determine the effectiveness of the Wagner Act and the manner of its enforcement; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H. R. 10595) granting an increase of pension to Mary Gavin; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 10596) granting an increase of pension to Alice D. Stayton; to the Committee on Pensions.

Also, a bill (H. R. 10597) granting an increase of pension to Mary Watkins; to the Committee on Invalid Pensions.

By Mr. FORAND: A bill (H. R. 10598) for the relief of the Central Engineering & Construction Co.; to the Committee on Claims.

By Mr. GAMBRILL of Maryland: A bill (H. R. 10599) for the relief of Daniel Jordan; to the Committee on Naval Affairs.

By Mr. IZAC: A bill (H. R. 10600) granting a pension to Edwin A. Savage; to the Committee on Pensions.

By Mr. LUECKE of Michigan: A bill (H. R. 10601) for the relief of Herbert Therrien; to the Committee on Claims.

By Mr. SCRUGHAM: A bill (H. R. 10602) for the relief of Fred J. Leonard; to the Committee on Claims.

By Mr. VINSON of Georgia: A bill (H. R. 10603) governing the retired pay of a chief pharmacist mate, United States Navy; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5077. By Mr. BLOOM: Petition of the American Legion, New York County organization, favoring the retention of all post exchanges without restriction and urging that post exchanges be established in Army encampments, bases, forts, and reservations so that enlisted men and officers receive the benefits; to the Committee on Military Affairs.

5078. Also, petition of the locals in region No. 1 of the United Automobile Workers of America, comprised of all the Eastern States, including New York State, urging that the

wage and hour bill be enacted immediately; to the Committee on Labor.

5079. Also, petition of the Senate of the State of New York, favoring the enactment of Senate bill 682 and House bill 5169, which legislation provides in cooperation with the States for the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources of our country; to the Committee on Education.

5080. Also, petition of the United Optical Workers Union, No. 208, favoring the immediate enactment of the wage and hour bill; to the Committee on Labor.

5081. Also, petition of the United Paper Workers L. I. Union, No. 292, Brooklyn, N. Y., urging the immediate enactment of the wage and hour bill; to the Committee on Labor.

5082. Also, petition of the Senate of the State of New York, protesting against the enactment of House bill 3134, which imposes a sales tax in the amount of 1 cent per gallon upon fuel oil; to the Committee on Ways and Means.

5083. By Mr. CULKIN: Petition of the Legislature of the State of New York, opposing enactment of the Boland bill (H. R. 3134); to the Committee on Ways and Means.

5084. Also, petition of the Common Council of Oswego, N. Y., certified by Leonard T. Gadwood, city clerk, and approved by Willard J. Hall, mayor, favoring enactment of the wage and hour bill; to the Committee on Labor.

5085. Also, petition of the Legislature of the State of New York, urging enactment of Senate bill 682 and House bill 5169, which make provision in cooperation with the States for the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources of the United States; to the Committee on Education.

5086. By Mr. CURLEY: Petition of the Parents' Association of Public School No. 38, Borough of the Bronx, New York City, protesting against the dismissal of any agents of the Federal Bureau of Investigation because of reduction or lack of appropriations; to the Committee on Appropriations.

5087. Also, petition of the Association of Limb Manufacturers of America, Inc., urging the Federal Government and its agencies to withdraw from the manufacture, sale, and distribution of artificial limbs; to the Joint Committee on Veterans' Affairs.

5088. By Mr. JARRETT: Resolution of the Board of Supervisors of Sugar Creek Township, Venango County, Pa., favoring allocating Works Progress Administration funds to local communities; to the Committee on Appropriations.

5089. By Mr. LUTHER A. JOHNSON: Petition of Walter P. Taylor, president, Local 557, National Federation of Federal Employees, College Station, Tex., favoring House bills 2700 and 6587; to the Committee on the Civil Service.

5090. Also, petition of Thomas F. Mayo, librarian of Texas Agricultural and Mechanical College of Texas, favoring House bill 5471; to the Committee on Printing.

5091. By the SPEAKER: Petition of citizens of Malone of the county of Franklin of the State of New York, petitioning consideration of their request relative to radio advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

5092. Also, petition of the city of Granite City, Granite City, Ill., petitioning consideration of their resolution with reference to public-works projects; to the Committee on Appropriations.

5093. Also, petition of the Brotherhood of Railroad Trainmen, Houston, Tex., petitioning appropriations for the Senate Civil Liberties Committee; to the Committee on Appropriations.

5094. Also, petition of the Brotherhood of Railroad Trainmen, Western Shore, No. 71, Oakland, Calif., petitioning consideration of their resolution dated May 2, 1938, with reference to labor; to the Committee on Appropriations.

5095. Also, petition of the county commissioners of Cottonwood County, State of Minnesota, petitioning consideration of their resolution dated May 3, 1938, concerning House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.